

Comments to the North Dakota Senate Appropriations Committee, Education and Environment
Division

Senator Ron Sorvaag, Chair

Submitted by Rick Hedberg, VP for Advancement & Exc. Director, Minot State Development
Foundation

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Chairman Sorvaag and members of the committee, good morning, my name is Rick Hedberg and I am the VP for Advancement and Executive Director of the Minot State University Development Foundation. Thank you for your time this morning and for allowing me to explain how the ND Challenge Grant has impacted our institution and why I believe it would be beneficial for our state to continue with support for the program.

As we work together supporting our post-secondary students, and thereby supporting the long-term success of our state, it is critical that higher education remain affordable. A key to affordability is the availability of scholarships through privately raised funds.

At the Minot State University Development Foundation, we have seen, firsthand, the benefit of the state matching grant program. I can speak on behalf of our institution in saying that the challenge grant program is one of the top initiatives that has come out of our legislative assembly in the last decade. There is no argument of this point on our campus, and I'd like to share with you some statistics to support this claim.

If you would refer to the handout titled "Fiscal Year Growth of Endowed Scholarships." This chart lists the number of scholarship endowments that have been added each year. We've averaged nearly 30 new scholarship endowments each year and nearly all of these have been initiated with matching funds from challenge grant. The wonderful aspect with endowments is that these funds are perpetual, they will be providing support to students long after all of us are gone, as we don't touch the principal of these funds. Our goal is to endow as many scholarships and programs as possible.

The chart at the bottom of the page indicates the growth in the foundation's assets over the last decade. As you can see, our growth in foundation assets has been significant over the last 10 years from \$24M in 2014 to \$61.6M as of June 30, 2024. We are now approaching \$70M in assets with gifts received thus far in FY25. This is nearly a 300% increase over 10 years.

We recently closed the books on our EMPOWER Capital Campaign. This was a \$50M comprehensive capital campaign that started in July 2019. Our original goal, based on our campaign consultant's recommendation, was \$40M. After the first two years of the campaign in which we outpaced expectations, we increased our goal to \$50M. I'm happy to announce that we have exceeded our goal by a significant amount. I'm not a liberty to disclose our final campaign number as we plan to do so this spring at a celebration with donors.

I don't share these statistics to toot our own horn. I think all of the university foundations in the system can share similar stories and stats. I'm here today because I truly feel that the ND Challenge Grant is a major factor in our success. Without this program, these numbers would be no where near this positive.

We are in the early stages of what is called the "Great Wealth Transfer." This is the name given to the transfer of wealth from Baby Boomers to younger generations and charitable organizations. This transfer is estimated to be worth \$84 trillion, and is expected to take place over the next 20 years. If we can continue to provide a "carrot" such as the ND Challenge Grant, our state can see a small portion of that \$84 trillion remain here.

Another statistic in closing: Prior to the ND Challenge Grant being initiated in 2013, our annual fundraising was approximately \$2M to \$3M each year. A decade later we are in the \$8M to \$12M range each year and we've had record levels of giving. This is NOT a coincidence. There is a direct correlation with the ND Challenge Grant.

I urge you to keep this valuable tool in our fundraising toolbox and I encourage you to fund the program at the highest level possible. This program has proven to be successful with a significant return on investment for the State of North Dakota.

I thank you for your past support of the ND Higher Ed Challenge Grant and I stand for any questions.