

Senate Appropriations – Education & Environment Division
Maria Neset - Office of the Governor
January 21, 2025

Good morning, Chairman Sorvaag and members of the committee. For the record, my name is Maria Neset and I serve as Chief of Staff to Lt. Governor Strinden and Senior Advisor to Governor Armstrong. Our office is here to provide supportive testimony for the Challenge Grants as reflected in the Executive Budget.

Since its creation in the 2013-15 legislative session, the Challenge Grant Fund has been a key driver in the development of North Dakota's higher education system. To date, the legislature has invested nearly \$95 million into this program. This investment has been met by \$190 million in private sector contributions, totaling \$285 million in combined investment across our 11 public colleges and universities.

So what has this investment achieved?

- These funds have supported vital areas such as scholarships, faculty development, research, and educational infrastructure.
- Scholarship investments have led directly to workforce growth, supporting the state's companies and industries.
- The Challenge Grant is crucial in attracting the next generation of workers to North Dakota, contributing to the state's population growth over the last decade and creating opportunities for future progress.
- Most Challenge Grant funds go directly to scholarships, a critical factor in a student's decision to attend college. These funds make a tangible difference, helping students afford their education, avoid debt, and graduate on time—ultimately staying in North Dakota to live and work.
- The program also encourages alumni, friends, and industry partners to invest in our colleges, creating a powerful incentive for continued support.
- Finally, the Challenge Grant is a program that gives back. It fosters a culture of philanthropy, teaching recipients the value of investing in future generations and encouraging them to pay it forward.

A Growing Network of Support

Today, nearly 480,000 alumni from our state's colleges and universities are living, working, and thriving across the country and around the world. This vast network represents an enormous potential for matching the state's investment in the Challenge Grant Fund. While many alumni live in North Dakota, a significant number reside out of state, yet their connection to their alma maters remains strong. These alumni continue to contribute generously, ensuring that investments in the Challenge Grant come from all corners of the globe.

A Call for Continued Investment

The Challenge Grant Fund is widely acknowledged as a highly effective program. To maximize its impact, we urge the legislature to invest an additional \$50 million into the fund, which will leverage up to \$100 million in private sector contributions. This infusion of funding will help North Dakota's higher education system thrive and offer a transformative experience for students, fueling the state's workforce and economy for generations to come.

We are grateful for the continued legislative support of the Challenge Grant Fund and we hope to see this investment remain at \$50 million as proposed in the Armstrong executive budget recommendation. This would more than double the current commitment of \$20 million. Thank you for your time.