

2025 SB 2034

Senate Appropriations Committee – Education & Environment

Senator Sorvaag, Chairman

February 3, 2025

Chair Sorvaag and Committee members, I am Leslie Wietstock, Vice President for Finance and Administration at Dickinson State University (DSU). I am here to testify in support of Senate Bill 2034. I ask that you consider the request under this bill when determining the appropriation that DSU will receive during the 2025-2027 biennium.

Senate Bill 2034 addresses what some of us fondly refer to as the success penalty. As universities increase the number of credit hours produced, and certain thresholds are met, the Credit Completion Factor that is multiplied by the Weighted Student Credit Hour Base Factor is reduced.

In the case of DSU, the 60,000 Completed Student Credit Hours threshold was surpassed. The result of this was a reduction in the Credit Completion Factor from 1.5 to 1.4.

On the surface, going from a 1.5 to a 1.4 does not sound like that big of an adjustment. For DSU, the adjustment to the Credit Completion Factor will result in a decrease in the Adjusted Student Credit Hours of 6,693. Adjusted Student Credit Hours are what is multiplied by the Base Funding Per Credit Hour in order to determine the operating appropriation. For DSU, when the number of reduced adjusted credit hours is multiplied by the current base funding per credit hour of \$103.76, the results are a decrease in funding from the 2023-2025 biennium of almost \$695,000, before any adjustments are applied.

The second result of this change is that DSU would lose access to roughly \$893,899 that it would have been able to access in additional funding had there been no change made to the Completion Factor. A worksheet demonstrating this impact is attached to this testimony.

While we all understand that the purpose of the thresholds in the Credit Completion Factor are to account for economies of scale, but in DSU's case, it would be extremely difficult for us to find additional areas that could be cut in order to adjust the budget to account for the \$691,000 reduction from current funding.

I believe that Vice Chancellor Kresbach explained what SB2034 would do. To DSU it would make sense to allow the university to use the 1.5 credit hour completion factor up to the 60,000 completed student credit hour level, then use a credit completion factor of 1.0 for any credit hours that exceed 60,000. Under this methodology, economies of scale are recognized, while not having such a drastic negative impact on the university.

I appreciate the opportunity to appear before you today and would stand for any questions that the committee may have.

DICKINSON STATE UNINVERSTITY

Credit Completion Factor Adjustment Impact

2023-2025 Legislatively Approved Funding Formula

	(a)	(b)	(c)	(d)	(e=c x d)	(f)	(g)	(h=(e* f)+g)
Biennium	Completed SCH	Weighted SCH	WSCH Base	Credit Completion Factor	2021-23 Adjusted SCH	2023-25 Base Funding Per Credit Hour	Adjust	2023-25 Base
Current	2019-21	2019-21	2019-21		2021-23	2023-25		
2023-25	60,000	152,927	152,927	1.50	229,391.00	103.76	-	23,801,610
2025-27	61,462	159,070	159,070	1.50	237,874.00	103.76	13,703	<u>24,695,509</u>
								Increase(Decrease) from 2023-25 <u>893,899</u>
SB2003	2021-23	2021-23	2021-23		2023-25	2023-25		
2025-27	61,462	159,070	159,070	1.40	222,698.00	103.76	12,790	<u>23,119,934</u>
								Increase(Decrease) from 2023-25 <u>(681,676)</u>
SB 2034								
	60,000	159,070	159,070	1.50	236,412.00	103.76	13,703	24,543,812
	<u>1,462</u>	<u>1,462</u>	<u>1,462</u>	1.00	<u>1,462.00</u>	103.76	151,697	<u>151,697</u>
	<u>61,462</u>	<u>160,532</u>	<u>160,532</u>		<u>237,874.00</u>			<u>24,695,509</u>
								Increase(Decrease) from 2023-25 <u>893,899</u>
								Total Impact to the Funding Formula <u>1,575,575</u>