

2011 HOUSE EDUCATION

HB 1301

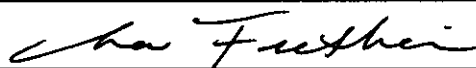
2011 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1301
01/25/11
13356

Conference Committee

Committee Clerk Signature



MINUTES:

Chairman RaeAnn Kelsch: We will open the hearing on HB 1301.

Rep. Corey Mock: Sponsor. Attachment 1. This bill was introduced in the senate side in 2009 and it failed to pass so we introduced this again this year. Tuition at UND as well as the other ten public institutions has gone up tremendously since 2000. Since 2002 tuition has increased 106%. HB 1301 will prohibit any tuition increases for the next biennium. I don't have the fiscal note with me but the number I have is 26 ½ million dollars and I don't think that is entirely accurate. I received an email that the actual appropriation is roughly 19 million dollars for the total tuition freeze. The governor, in his executive budget, has a 6 ½ million dollar appropriation for tuition freeze for the two year institutions and 2 ½ % cap on the four year institutions. To freeze for all it would be an additional 12 million or 19 million total. The other figure I want to point out is in the attachment. ND has done remarkably well with the average debt load. It is ranked 27th in the size of debt, but where we don't do well is with the number of students that leave with debt. It puts us 7th for most people leaving with debt. It is a troubling number. I think it needs to be addressed.

Chairman RaeAnn Kelsch: That 71%, do we know how many students chose to take out the low interest rate loans for college even though their parents could potentially afford to pay or help pay?

Rep. Corey Mock: The figure I have was not broken down. I think if we contacted project on student debt we could figure this out.

Rep. David Rust: Would you repeat the number in the governor's budget regarding tuition?

Rep. Corey Mock: There are approximate 6 ½ million for a tuition freeze on 2 year institutions and a 2.5 % cap on 4 year institutions.

Chairman RaeAnn Kelsch: You are saying the more relevant appropriation would be 19 million not 26 ½ million?

Rep. Corey Mock: The last I heard, yes.

Rep. Phillip Mueller: If 19 is the new number what does that represent across the board on tuition increase percentage wise?

Rep. Corey Mock: I'd have to defer to the university system. They can give more specifics. They said all pay increases, wage benefits, and costs for improvements.

Rep. Phillip Mueller: I think it would be interesting to know what that represents.

Chairman RaeAnn Kelsch: Questions? Support?

Dustin Gawrylow – NDTA: Testimony attachment 2. 11:12

Rep. Phillip Mueller: I'm a little confused. Are you in support or opposition to this bill?

Dustin Gawrylow – NDTA: It is unfortunate that we have to discuss this. We are looking at another 20-25% increase in the demand from the taxpayers. It is our thoughts that a tuition freeze should be in that already. Because it's not and because there is no reasonable measures to hold down the tuition, given the requested increase from the taxpayers, there should be some sort of approach that it includes accountability measures. We would like to see these reforms attached to this bill in case it passes.

Rep. Phillip Mueller: Are you for or against the bill?

Dustin Gawrylow – NDTA: If there were no forms attached? I think yes we are in favor of the freeze and we would prefer to have these attached amendments.

Chairman RaeAnn Kelsch: What is northdakotacharts.co? Where did that come from?

Dustin Gawrylow – NDTA: That is a website that taxpayers association and the ND policy council had developed as a quick reference guide for referring to charts and data.

Chairman RaeAnn Kelsch: How do you gather that information?

Dustin Gawrylow – NDTA: State sources.

Rep. Corey Mock: What is the current status on HB 1369? Is it still in appropriations?

Dustin Gawrylow – NDTA: Yes it is being heard tomorrow I believe.

Rep. Corey Mock: If HB 1369 passes, is an amendment necessary to this bill?

Dustin Gawrylow – NDTA: No if it passes, but we are looking at an approach that if we are going to spend this money, we need look at something solid and concrete.

Chairman RaeAnn Kelsch: Questions? Support?

Evan Andrist – UND Student Government: Support. Testimony attachment 3.

Chairman RaeAnn Kelsch: Can you explain the FAFSA a little bit to the committee?

Evan Andrist – UND Student Government: According to FAFSA she didn't meet the qualifications for the loans.

Chairman RaeAnn Kelsch: What are the thresholds?

Evan Andrist – UND Student Government: I am not sure.

Chairman RaeAnn Kelsch: Questions? Support? Opposition?

Robert Vallie – NDSU: Opposition. Testimony attachment 4.

Rep. Corey Mock: It appears we have UND and NDSU rivalry among us. The UND senate had a resolution supporting the tuition freeze. Did NDSU have a similar resolution opposition it or was this decision made administratively?

Robert Vallie – NDSU: This has not been an issue voted on by the student senate yet. But, the ND student association which represents all eleven campuses and the roughly 45,000 students that are part of the university system did pass legislation supporting the freeze of 2 year institutions as well as a tuition cap for 4 year institutions. At this point in time, we are following the motions made by the ND student association as well as the actions within our student government.

Rep. Corey Mock: I'm confused because in your first reason for not supporting HB 1301 is because it is unclear of how the funds would transfer from the state to the university system to subsidize the tuition freeze at the 2 year institutions as well as the 4 year institutions, by that same logic wouldn't you be concerned how the funds are being transferred from the state to the university system to cap and to freeze at the 2 year institutions?

Robert Vallie – NDSU: With this piece of legislation we are looking at, from the perspective of NDSU as a 4 year institution, what we have seen is there has been multiple funding models that have been done in terms of equity and deferred maintenance. With this particular piece, we are not certain how we feel these funds would be distributed to the four year institutions particularly with our institution at large. We feel that because there isn't a definite answer, that it is a reason of contention and concern and cannot currently support HB 1301.

Chairman RaeAnn Kelsch: Questions? Opposition? We will close on HB 1301.

2011 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

HB 1301
01/31/11
13734

Conference Committee

Committee Clerk Signature



MINUTES:

Chairman RaeAnn Kelsch: We will open on HB 1301.

Rep. Brenda Heller: I move do not pass.

Rep. Mike Schatz: Second.

Chairman RaeAnn Kelsch: Committee discussion? We will take the roll on a do not pass for HB 1301. Motion carries. We will close on HB 1301.

10 YEAS 4 NAYS 1 ABSENT
CARRIER: Rep. Brenda Heller

DO NOT PASS

Date: 1-31-11
Roll Call Vote #: _____

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1301

House EDUCATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt
Amendment

Rerefer to Appropriations Reconsider

Motion Made By REP. HELLER Seconded By REP. SCHATZ

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	X		Rep. Hanson		X
Vice Chairman Meier	X		Rep. Hunskor		X
Rep. Heilman	X		Rep. Mock		X
Rep. Heller	X		Rep. Mueller		X
Rep. Johnson	X				
Rep. Karls	X				
Rep. Rohr	X				
Rep. Rust					
Rep. Sanford	X				
Rep. Schatz	X				
Rep. Wall	X				

Total (Yes) 10 No 4

Absent 1 - REP. RUST

Floor Assignment REP. HELLER

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1301: Education Committee (Rep. R. Kelsch, Chairman) recommends DO NOT PASS (10 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1301 was placed on the Eleventh order on the calendar.

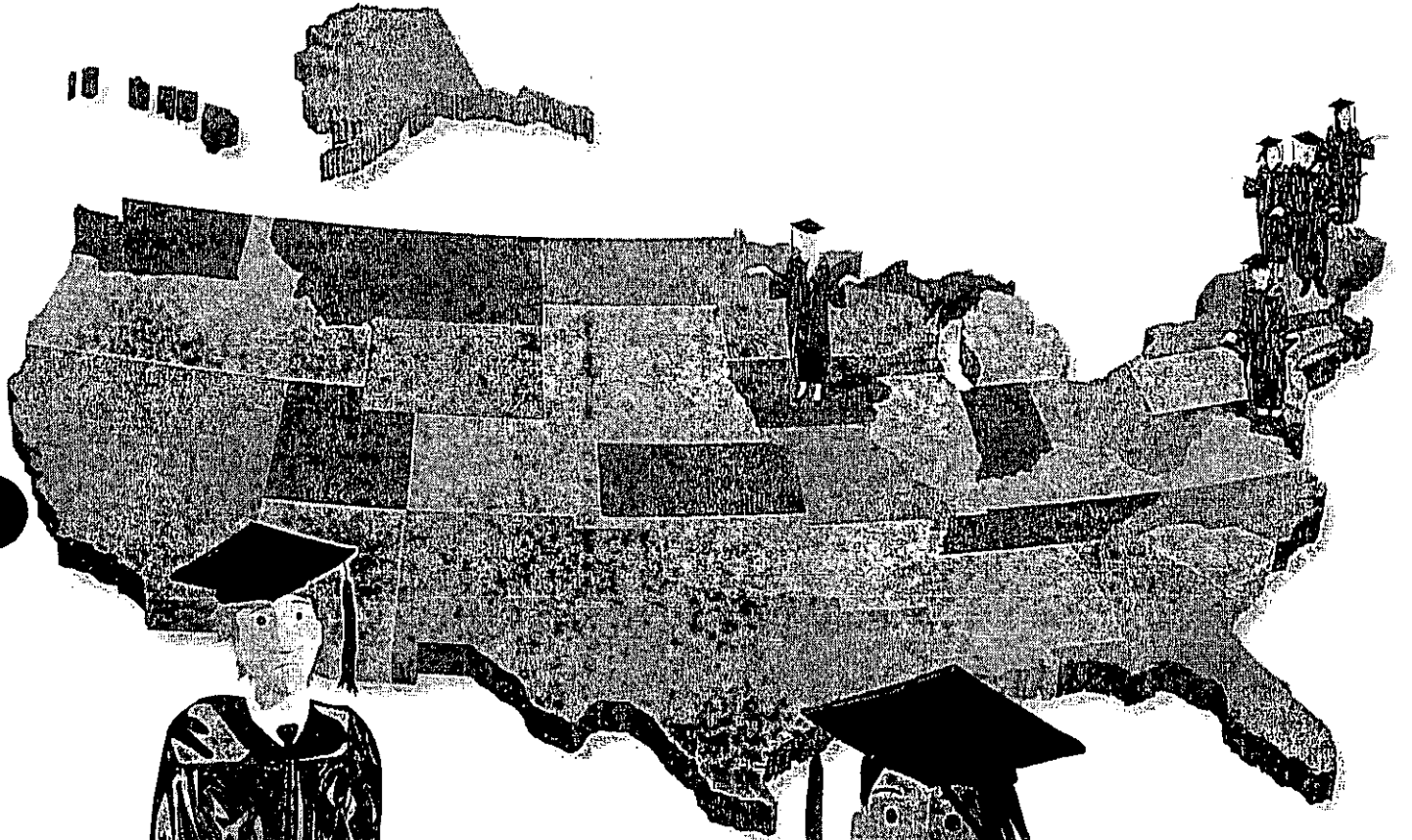
2011 TESTIMONY

HB 1301

ATTACHMENT 1

Student Debt

and the Class of 2009



Student Debt and the Class of 2009 is our fifth annual report on the cumulative student loan debt of recent graduates from public and private nonprofit colleges. Our analysis of the latest available data found that the debt levels of students who graduate with loans continued to rise, with considerable variation among states as well as among colleges.

We estimate that college seniors who graduated in 2009 carried an average of \$24,000 in student loan debt, up six percent from the previous year.¹ The six percent increase in average debt at the national level is similar to the average annual increase over the past four years, despite the recent economic downturn. It is likely that the Class of 2009 took out the bulk of their student loans before the recession began. Additionally, many colleges made concerted efforts to increase or maintain need-based grant aid when the economy faltered, so that students could afford to stay in school.²

State averages for debt at graduation from four-year colleges ranged widely in 2009, from \$13,000 to \$30,000. As in previous years, high-debt states are concentrated in the Northeast, while low-debt states are mainly in the West. Average debt continued to vary even more at the campus level than at the state level, from \$3,000 to \$61,500. Colleges with higher tuition tend to have higher average debt, but there are many examples of high tuition and low average debt and vice versa.

In the current economic climate, recent college graduates who borrowed for their education face unique challenges in paying back their student loans. The unemployment rate for young college graduates rose from 5.8 percent in 2008 to 8.7 percent in 2009, the highest annual rate on record.³

Given the growing enrollment in and attention to for-profit colleges, it is important to note that this report reflects only graduates of public and private nonprofit four-year colleges because so few for-profit colleges report student debt data. However, based on national surveys conducted by the U.S. Department of Education, we know that on average, graduates of for-profit four-year colleges are much more likely to borrow student loans and borrow significantly more than their counterparts at public and private nonprofit colleges. For more information, see page 5.

A companion interactive map with details for all 50 states, the District of Columbia, and more than 1,000 public and private nonprofit four-year colleges is available at http://projectonstudentdebt.org/state_by_state-data.php.

¹ These figures reflect the average cumulative debt levels of 2008-09 bachelor's degree recipients with loans at public and private nonprofit four-year colleges. See the *Where the Numbers Come From and How We Use Them* section for more information. All dollar figures in this report are given in current or nominal dollars, not adjusted for inflation. Adjusting for the deflation that occurred between 2008 and 2009, the percent increase in average debt of borrowers during that time period would be seven percent.

² See for example: Kate Zernike, "To Keep Students, Colleges Cut Anything but Aid," *New York Times*, February 28, 2009, <http://www.nytimes.com/2009/02/28/education/28college.html>, accessed October 13, 2010. Matt Gelb, "Fewer Merit Scholarships Planned," ABC News, March 23, 2009, <http://abcnews.go.com/OnCampus/story?id=7015990&page=4>, accessed January 14, 2010. For information about the more than 50 public and private colleges with no-loan or reduced-loan financial aid policies for low- and middle-income students, please visit our website, <http://www.projectonstudentdebt.org/pledges>.

³ These annual unemployment figures are from unpublished data from the Current Population Survey (CPS), provided by the Bureau of Labor Statistics (BLS) in response to personal communications in November 2009 and August 2010. The figures apply to those in the civilian non-institutional population who have a bachelor's degree or higher and are aged 20 to 24 and are actively seeking work. The unemployment rate measures the proportion of that population who are not working.

Student Debt Highs and Lows, by State

The statewide average debt levels for the Class of 2009 vary widely among the states, but many of the same states appear at the high and low ends of the spectrum as have in previous years.⁴ We base state averages on the best available college-level data, which were reported voluntarily by approximately 1,000 public and private nonprofit four-year colleges for the Class of 2009.⁵ For more information on our methodology, see the *Where the Numbers Come From and How We Use Them* section.

The following tables show the states with the highest and lowest average debt levels for the Class of 2009.

High Debt States	
District of Columbia	\$30,033
New Hampshire	\$29,443
Maine	\$29,143
Iowa	\$28,883
Vermont	\$27,786
Minnesota	\$27,467
Pennsylvania	\$27,066
Rhode Island	\$26,573
Alaska	\$26,344
Ohio	\$25,842

Low Debt States	
Utah	\$12,860
Georgia	\$16,568
Nevada	\$16,742
Wyoming	\$17,084
Delaware	\$17,200
California	\$17,326
Arizona	\$17,393
Kentucky	\$19,112
Louisiana	\$19,677
Washington	\$19,780

As in recent years, states in the Northeast are disproportionately represented among the “high debt” states, while those in the West are disproportionately represented among the “low debt” states.⁶ This may be related to the fact that both private and public four-year colleges in the Northeast have higher than average tuition, and that a larger than average share of students in the Northeast attend private nonprofit four-year colleges. In comparison, Western states have a larger share of students attending public four-year colleges and lower than average tuition at public colleges.⁷

In general, private nonprofit colleges have higher tuition than public ones, and higher average tuition at the state or college level is associated with higher average debt. However, there are many colleges with high tuition and low debt, and vice versa. Multiple factors influence average debt levels at a college, such as endowment resources available for financial aid, student demographics, state policies, institutional financial aid packaging policies, and the cost of living in the local area. For more about debt at the college level, see the *Student Debt at Colleges* section.

⁴ The state averages and rankings in this report are not directly comparable to those in previous years' reports due to changes in which colleges in each state report data each year, corrections to the underlying data submitted by colleges, and changes in methodology. To compare state averages over time based on the current data and methodology, please visit College Insight, <http://College-InSight.org>.

⁵ The institutional debt data used in this report are provided voluntarily by colleges in response to questions that are part of the Common Data Set (CDS), <http://www.commondataset.org>. The Project on Student Debt's parent organization, the Institute for College Access & Success, licenses these data through an agreement with Peterson's, a publisher of college guides. The data are copyright 2010 Peterson's, a Nelnet company. All rights reserved.

⁶ These regions are as defined by the U.S. Census Bureau. “Census regions and divisions with State FIPS Codes.” http://www.census.gov/gco/www/us_regdiv.pdf, accessed November 10, 2009.

⁷ Based on calculations by The Project on Student Debt on 12-month unduplicated undergraduate enrollment during the 2008-09 year from the U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS).

The following table shows each state's average debt and proportion of students borrowing for graduates in the Class of 2009, along with information about the amount of usable data actually available for each state.⁸

Percentage of Graduates with Debt and Average Debt of those with Loans, by State							
State	Class of 2009				Institutions (BA-granting)		Graduates
	Average Debt	Rank	% with debt	Rank	Total	Usable	% Represented in Usable Data
Alabama	\$24,009	16	51%	38	32	17	65%
Alaska	\$26,344	9	53%	35	4	3	95%
Arizona	\$17,393	43	45%	46	10	4	97%
Arkansas	\$19,880	39	57%	28	22	12	65%
California	\$17,326	44	48%	43	128	66	83%
Colorado	\$20,866	30	54%	33	21	15	83%
Connecticut	\$25,038	14	59%	22	23	15	88%
Delaware	\$17,200	45	44%	47	6	1	65%
District of Columbia	\$30,033	1	51%	38	9	6	73%
Florida	\$20,766	31	49%	41	69	30	77%
Georgia	\$16,568	48	58%	24	54	31	83%
Hawaii	N/A	N/A	N/A	N/A	7	2	15%
Idaho	N/A	N/A	N/A	N/A	9	3	43%
Illinois	\$22,049	26	60%	20	76	45	83%
Indiana	\$25,246	13	63%	15	50	34	91%
Iowa	\$28,883	4	74%	2	35	23	89%
Kansas	\$20,454	34	58%	24	29	14	76%
Kentucky	\$19,112	42	54%	33	32	24	88%
Louisiana	\$19,677	41	48%	43	26	13	66%
Maine	\$29,143	3	65%	12	19	9	56%
Maryland	\$19,984	36	49%	41	35	19	75%
Massachusetts	\$24,484	15	63%	15	79	49	78%
Michigan	\$25,458	12	59%	22	59	30	80%
Minnesota	\$27,467	6	73%	3	38	28	83%
Mississippi	\$22,566	20	57%	28	19	9	82%
Missouri	\$21,360	29	66%	9	54	25	72%
Montana	\$22,346	23	68%	8	10	6	59%
Nebraska	\$22,361	22	64%	14	25	12	67%
Nevada	\$16,742	47	37%	49	8	2	94%
New Hampshire	\$29,443	2	72%	5	17	9	75%
New Jersey	\$22,731	19	62%	19	36	21	82%
New Mexico	\$21,478	28	47%	45	11	6	47%

⁸ In order for their data to be considered usable for calculating state averages, colleges had to report both the percent of graduating students with loans and their average debt, and report granting bachelor's degrees during the 2008-09 year. As shown in the table for Hawaii and Idaho, we did not calculate state averages when the usable cases with student debt data cover less than 30% of bachelor's degree recipients in the Class of 2009 or when the underlying data for that state showed a change of 30% or more in average debt from the previous year. Such large year-to-year swings likely reflect different institutions reporting each year, reporting errors, or changes in methodology by institutions reporting the data, rather than actual changes in debt levels.

Percentage of Graduates with Debt and Average Debt of those with Loans, by State

State	Class of 2009				Institutions (BA-granting)		Graduates
	Average Debt	Rank	% with debt	Rank	Total	Usable	% Represented in Usable Data
New York	\$25,739	11	63%	15	171	84	69%
North Carolina	\$19,983	37	56%	31	58	32	64%
North Dakota	\$22,030	27	71%	7	13	4	48%
Ohio	\$25,842	10	66%	9	79	40	82%
Oklahoma	\$20,469	33	56%	31	29	16	72%
Oregon	\$22,417	21	60%	20	29	17	72%
Pennsylvania	\$27,066	7	72%	5	126	81	77%
Rhode Island	\$26,573	8	65%	12	10	6	70%
South Carolina	\$22,277	24	53%	35	35	15	69%
South Dakota	\$23,581	17	78%	1	13	7	75%
Tennessee	\$20,678	32	53%	35	47	32	70%
Texas	\$20,015	35	58%	24	92	45	72%
Utah	\$12,860	49	38%	48	9	5	53%
Vermont	\$27,786	5	63%	15	18	9	67%
Virginia	\$19,918	38	57%	28	44	36	89%
Washington	\$19,780	40	58%	24	30	15	69%
West Virginia	\$ 22,054	25	73%	3	20	11	43%
Wisconsin	\$22,904	18	66%	9	37	26	74%
Wyoming	\$ 17,084	46	50%	40	1	1	100%

Student Debt at Colleges

Student debt levels can vary considerably among colleges due to a number of factors. Higher costs for tuition and fees are associated with higher average debt, though there are many exceptions. State and institutional resources and policies regarding financial aid can also play a role in influencing student debt levels. For example, four colleges (California Institute of Technology, Claremont McKenna College, Princeton University, and Williams College) with no-loan or reduced-loan financial aid policies for low- and middle-income students are notable for charging over \$30,000 for tuition and fees in 2008-09 but graduating bachelor's degree recipients with, on average, less than \$10,000 in student loans.⁹ Additionally, student debt levels are likely influenced by the demographic makeup of the graduating class and the cost of living in the local area.

Many factors can also affect the way that colleges report the debt figures used in this analysis. There are differences in how colleges interpret the relevant survey questions and calculate their average debt figures, despite attempts to provide clear definitions and instructions.¹⁰ There are also colleges that do not report these figures at all or fail to update them. Only 1,065 of the 1,913 public and private nonprofit four-year colleges in the U.S. that granted bachelor's degrees during the 2008-09 year reported figures for both average debt and percent with debt. Some colleges may not receive Peterson's annual survey, choose not to respond to the survey, or choose not to respond to the student debt questions. The available data show great variation from college to college, with average debt figures from \$3,000 to \$61,500. At the high end, 72 colleges reported average debt of more

⁹ For more information about Financial Aid Pledges, please visit our website, <http://www.projectonstudentdebt.org/pledges>.

¹⁰ The survey instructions and other information on our data source can be found in the *Where the Numbers Come from and How We Use Them* section.

than \$35,000. The percentage of graduates with debt ranges from one to 100 percent. Seventy-three colleges reported more than 90 percent of the Class of 2009 graduating with debt.

Our analysis suggests that the available campus-level data are not reliable enough to rank individual colleges with especially high or low debt levels. However, we have identified colleges with reported debt levels that fall into high or low ranges relative to the levels reported by all institutions. These lists illuminate the high and low ends of the spectrum among colleges reporting student debt data.¹¹

For public and private nonprofit four-year colleges, campus-level data on student debt, enrollment, tuition, and the percentage of students receiving Pell Grants are available through an interactive map at http://projectonstudentdebt.org/state_by_state-data.php. These and additional data related to affordability, diversity, and success are also available online at <http://College-InSight.org>, where users can compare data over several years and for states, sectors, individual colleges, and the nation as a whole.

A Note on For-Profit Colleges

Private for-profit colleges are not included in the lists of high- and low-debt colleges or in the state averages because very few report the relevant data. Debt figures for the Class of 2009 are available for only seven of the 438 private for-profit four-year colleges in the U.S. that awarded bachelor's degrees during the 2008-09 year, a substantial drop in participation from the previous year. For-profit colleges do not generally participate in Peterson's annual survey (or the other surveys based on the Common Data Set) either because they are not sent the survey or because they choose not to respond. In the most recent year for which representative national data are available, almost all graduates from for-profit four-year colleges (96%) took out student loans and borrowed 45 percent more than graduates from other types of four-year colleges.*

* See Quick Facts about Student Debt (http://projectonstudentdebt.org/files/File/Debt_Facts_and_Sources.pdf) for more information.

High Debt Colleges

The colleges on the following lists (see page 6) are notable for having very high average debt levels for the Class of 2009. Because public colleges generally have significantly lower tuition and lower debt levels than private colleges, we list public and private colleges separately on these "high debt" lists. The high-debt public colleges listed here have average debt from \$28,000 to \$39,000. While some may have high in-state tuition relative to other public colleges, the vast majority have in-state tuition and fees under \$10,000.¹² The high-debt private nonprofit colleges listed here generally have average debt from \$39,500 to \$52,000, with one outlier at \$61,500.

Low Debt Colleges

The colleges on the following list (see page 6) are notable for having low debt levels for the Class of 2009, with reported average debt between \$3,000 and \$8,500. Some of these colleges are low-tuition public colleges, but more than one in three (35%) of the low debt colleges charge tuition and fees over \$10,000. Some are highly selective national universities and liberal arts colleges with fairly large endowments, which tend to enroll fewer students who need loans to pay for college and often give generous grant aid to lower income students. Berea College and the College of the Ozarks are "work colleges," where all students work instead of paying tuition. However, students at these colleges may still need to borrow to cover the cost of books and supplies, transportation, or other education-related expenses.

¹¹ These lists present the 20 colleges at the top and bottom of the spectrum in terms of the average debt of borrowers. Only colleges that reported both average debt and percent with debt for the Class of 2009 and had at least 100 bachelor's degree recipients in 2008-09 are included on these lists. We excluded colleges for which our analysis raised serious questions about the accuracy of the data, as well as colleges that informed us that they intend to correct their debt figures with Peterson's.

¹² A high proportion of out-of-state students paying a much higher non-resident tuition may also be a factor for some public colleges on the high debt list. However, due to tuition compacts between states and other policy and data factors, it is difficult to tell how many students pay non-resident tuition at public colleges.

High Debt Public Colleges and Universities (Alphabetical by Name)	
Alabama A & M University	AL
Alabama State University	AL
Bowling Green State University-Main Campus	OH
Ferris State University	MI
Fort Valley State University	GA
Indiana University-Northwest	IN
Iowa State University	IA
Langston University	OK
Lincoln University of Pennsylvania	PA
Maine Maritime Academy	ME
Mansfield University of Pennsylvania	PA
Minnesota State University-Moorhead	MN
Pennsylvania State University (multiple campuses)	PA
Plymouth State University	NH
Temple University	PA
University of Alaska Fairbanks	AK
University of Maine	ME
University of Michigan-Dearborn	MI
University of Minnesota-Duluth	MN
University of Nebraska Medical Center	NE
University of New Hampshire-Main Campus	NH

High Debt Private Nonprofit Colleges and Universities (Alphabetical by Name)	
American University	DC
Buena Vista University	IA
Cleveland Institute of Art	OH
College for Creative Studies	MI
Eastern Nazarene College	MA
Florida Institute of Technology	FL
Green Mountain College	VT
Kettering University	MI
Lawrence Technological University	MI
Long Island University-Brooklyn Campus	NY
Minneapolis College of Art and Design	MN
Ohio Northern University	OH
Ringling College of Art and Design	FL
Saint Joseph College	CT
Simmons College	MA
The College of Saint Scholastica	MN
University of Dubuque	IA
Wheelock College	MA
Woodbury University	CA
Worcester Polytechnic Institute	MA

Low Debt Colleges and Universities (Alphabetical by Name)		
Berea College	KY	Private nonprofit, 4-year or above
Caldwell College	NJ	Private nonprofit, 4-year or above
California Institute of Technology	CA	Private nonprofit, 4-year or above
Cameron University	OK	Public, 4-year or above
College of the Ozarks	MO	Private nonprofit, 4-year or above
CUNY College of Staten Island	NY	Public, 4-year or above
CUNY Hunter College	NY	Public, 4-year or above
Hampton University	VA	Private nonprofit, 4-year or above
Kennesaw State University	GA	Public, 4-year or above
Lamar University	TX	Public, 4-year or above
Lane College	TN	Private nonprofit, 4-year or above
New Mexico Institute of Mining and Technology	NM	Public, 4-year or above
Princeton University	NJ	Private nonprofit, 4-year or above
Sam Houston State University	TX	Public, 4-year or above
Southeastern Oklahoma State University	OK	Public, 4-year or above
The Baptist College of Florida	FL	Private nonprofit, 4-year or above
Tusculum College	TN	Private nonprofit, 4-year or above
University of Wisconsin-River Falls	WI	Public, 4-year or above
Western New Mexico University	NM	Public, 4-year or above
Williams College	MA	Private nonprofit, 4-year or above

A Note on Private (Nonfederal) Loans

Currently, campus-level data on private student loans are very limited. Private student loans are not subsidized by the government and are made to students by private banks and lenders (many of which used to also make federal student loans), as well as by some states and colleges. No more a form of financial aid than a credit card, private student loans are one of the riskiest ways to pay for college. They typically have uncapped variable interest rates that are highest for those who can least afford them. Private loans also lack the basic consumer protections and flexible repayment options of federal student loans, such as deferment, income-based repayment, and loan forgiveness. The most recent available national data indicate that 33 percent of bachelor's degree recipients graduated with private (nonfederal) loans during the 2007-08 year, with an average private loan amount of \$12,550.¹³ There is great variation in private loan borrowing among different types of institutions. Students graduating from private for-profit colleges are the most likely to have taken out private loans, with 64 percent of seniors graduating with private loans.

Although private loans are not reported separately in the data used for this report, colleges are now asked about both federal loan borrowing *and* overall borrowing. These figures suggest that at least 23 percent of the volume of all student debt for the Class of 2009 at public and private nonprofit four-year colleges was composed of private loans. There is great variation in the level of private loan borrowing, even among colleges with similar levels of overall borrowing. For example, only nine percent of the overall student debt at Indiana University-Northwest (IN) was composed of private loans, compared to 41 percent at Bowling Green State University-Main Campus (OH), although both of these public colleges have similar levels of borrowing.¹⁴ Just over half (51%) of the overall student debt for the Class of 2009 at the College of Saint Scholastica (MN) was composed of private loans, compared to 73 percent at Kettering University (MI), although both of these private nonprofit colleges have similar levels of borrowing.¹⁵ These differences in the composition of student debt can significantly affect borrowers' ability to repay their loans, as private loans typically have much higher costs and provide little, if any, relief for struggling borrowers.

While many factors affect private student loan usage, there is evidence that college policies and practices can make a difference in minimizing students' reliance on risky private loans. For example, Barnard College saw significant declines in private loan borrowing after implementing policies of proactively counseling students and parents about their federal grant and loan options when they are known to have applied for private loans. Colorado State University also counsels private loan applicants, leading half of those counseled to pursue their federal borrowing options first.¹⁶

¹³ Calculations by the Project on Student Debt on data from the 2008 National Postsecondary Student Aid Study (NPSAS). Figures reflect the cumulative private (nonfederal) loan debt of bachelor's degree recipients who were U.S. citizens or permanent residents and graduated from a public, private nonprofit, or private for-profit four-year postsecondary institution during the 2007-08 academic year.

¹⁴ At Indiana University-Northwest, 68% of the Class of 2009 borrowed student loans and the average debt of borrowers was \$28,403. At Bowling Green State University-Main Campus, 72% of the Class of 2009 borrowed student loans and the average debt of borrowers was \$28,542.

¹⁵ At the College of Saint Scholastica, 81% of the Class of 2009 borrowed student loans and the average debt of borrowers was \$40,401. At Kettering University, 84% of the Class of 2009 borrowed student loans and the average debt of borrowers was \$41,485.

¹⁶ See Lindsey Luebchow, "Colorado State Does Private Loans Right," Higher Ed Watch, August 23, 2007, http://higheredwatch.newamerica.net/blogs/education_policy/2007/08/colorado_state, accessed October 13, 2010.



TESTIMONY ATTACHMENT 2

Subject: Amendments to Tuition Freeze

Bill: HB1301

Testimony Provided By: Dustin Gawrylow

Lobbyist #160

Presented To: House Education Committee

January 25th, 2011

Madam Chairwoman, Members of the Committee:

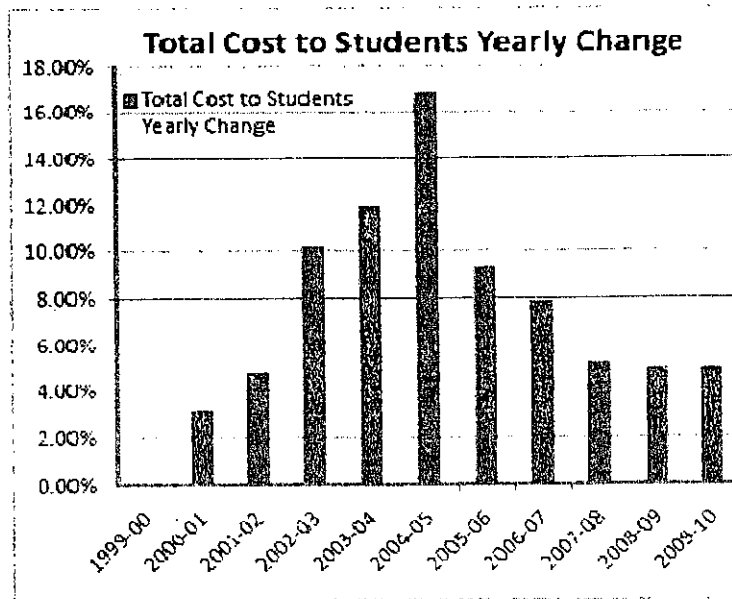
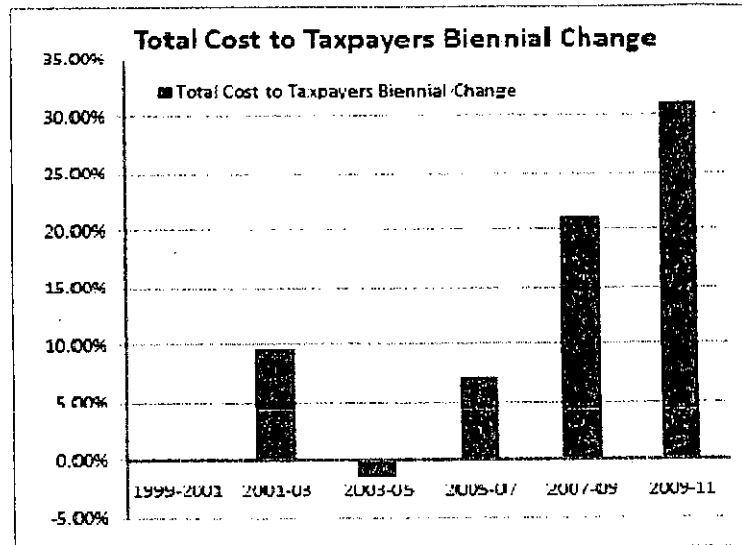
It is unfortunate for both taxpayers and students that, year after year, the legislature has to continually find ways to hold down tuition while the taxpayers are again asked to fund a third consecutive budget increase above 20%.

If we were talking about more reasonable demands of the taxpayer, things would be different, this bill and these amendments would not be needed.

With these kinds of taxpayer funded increases, most people simply do not understand why the cost of tuition still has to increase even one red cent.

A tuition freeze bill like this just barely failed to pass the Senate last session (SB 2238: 21-22N).

The North Dakota Taxpayers' Association would like a few accountability measures attached to this bill before it sees a floor vote.



The North Dakota Taxpayers' Association is a membership-funded advocacy group designed to get taxpayers a voice in legislative matters. NDTA is 100% in-state funded, and counts over 500 North Dakotans as current members. NDTA is the only organization with a full time lobbyist dedicated to advocating on behalf of the taxpayer.

North Dakota Taxpayers' Association

NDTaxpayers.com • 1720 Burnt Boat Drive Suite 102 • Bismarck, ND 58503 • (701) 751-2530



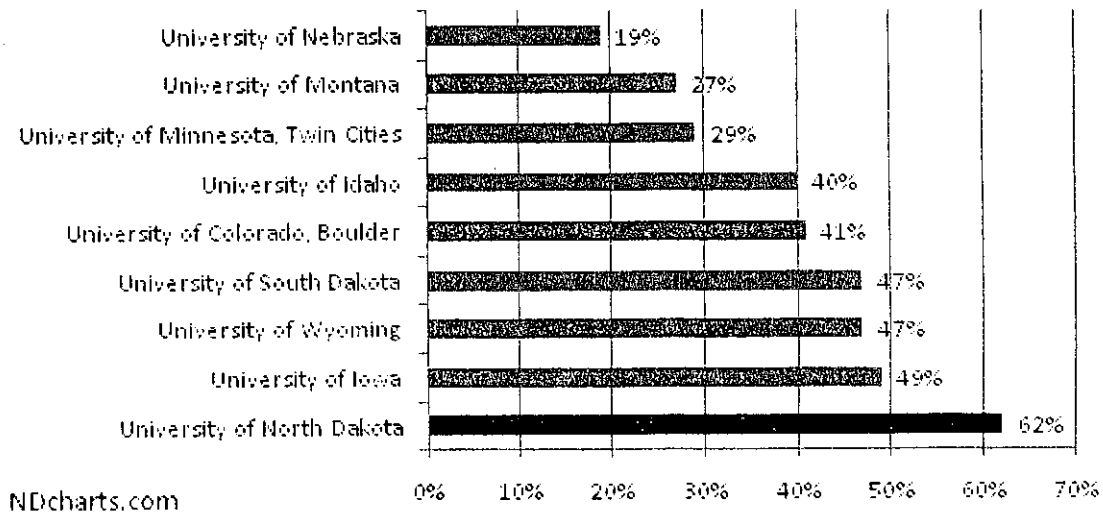
Return oversight to the legislature – House Bill 1447 from the 2009 Session aimed to return final say regarding tuition adjustments to the legislature. This provision would return accountability to the process and ensure that the legislature’s intent with appropriations is followed up with the appropriate tuition policy.

Study the Costs and Benefits of State Subsidies to Non-Resident Students – 40% of all higher ed students in North Dakota are non-residents and over 50% of students at NDSU and UND are not North Dakota residents. An in-depth, independent study of whether this results in a net benefit or a net-loss to students and taxpayers should be done.

House Bill 1369 is currently pending review by the Appropriations Committee and will likely make its way to this committee at some point.

I have attached the text of these suggested amendments, and hope this committee will consider integrating them into this bill.

North Dakota and Neighbors' Percentage of Freshman Out of State Students at Flagship Universities



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TESTIMONY ATTACHMENT 3


Madam Chair and members of the committee

My name is Evan Andrist, State Governmental Affairs Commissioner and registered lobbyist for the University of North Dakota Student Government. I represent UND Student Government in matters regarding the state of North Dakota. On behalf of the students of UND, we support the passage of House Bills 1301 as expressed in UND Student Senate Resolution SR1011-07, which are attached to the written transcript.

Tuition increases over the last decade have more than doubled in which students have carried this burden for the majority of this time. We recognize and thank the 61st Legislative Assembly for the tuition freeze for two year institutes and a cap for four year institutions. We view House Bill 1301 as North Dakota's investment in its future by providing an outstanding education that continues to be affordable.

In addition to Student Senate Resolution SR1011-07, I would like to share the story of a current UND student that this bill's passage would have a profound impact on. This woman, according to FAFSA, should have enough parental contribution to afford an education. However, her parents simply cannot afford to pay for her education, as well as the higher education of her brother, and support her two younger siblings. She has to take out student loans to pay for her tuition. However, as a student, just like everybody else, she also has living expenses. She works two different jobs to pay for student fees, book, rent, clothing and other living expenses.

As a full time student, her main focus is her education. Working these two jobs impairs her ability to learn and to focus completely on her education. This story is similar to that of many students at the University of North Dakota. By freezing tuition, you could save this



woman, at the Governor's proposed 2.5% cap, \$168.15 at UND. That may not seem like much, but to her, that is a month of rent.

Members of this committee, I strongly urge you to support this bill. Show your conviction to support North Dakota's future nurses, electricians, journalists, plumbers, chefs, accountants, managers, businessmen, mechanics, engineers, teachers and every other person who earns a collegiate degree. Invest in these students now so they can someday invest back in North Dakota. Thank you for your time.

Sincerely,

Evan Andrist



State Governmental Affairs Commissioner

University of North Dakota Student Government



Senate Resolution

To: The Student Senate of the University of North Dakota
From: Student Body Vice-President, Grant Hauschild; Off-Campus Senator, Kevin Peters; Off-Campus Senator, Colton Larson; Greek Housing Senator, John Kappel; Nursing Senator, Billie Diver
CC:
Date: 1-20-11
Re: Support for Tuition Freeze

Whereas, the cost of tuition and mandatory fees at the University of North Dakota have increased from \$3,261 in 2001-2002 to \$6,726 in 2010-2011, a 106% increase and,

Whereas, Governor Dalrymple's budget has included a 2.5% cap to tuition costs and,

5 Whereas, District 42 Senator Mac Schneider and Representatives Corey Mock have proposed a tuition freeze for students, including \$12.6 million to cover costs beyond the 2.5% cap and,

Whereas, students in the North Dakota University System have endured the financial burden of drastic tuition and fee increases and,

Whereas, students in the North Dakota University System have had an estimated \$3.7 billion dollar economic impact per year for North Dakota and,

10 Whereas, North Dakota is projected to have a \$700 million budget surplus by the end of June 2011,

Therefore, be it moved that Student Senate support a Tuition Freeze and give authority to our student lobbyists to advocate for this issue on our behalf

TESTIMONY ATTACHMENT 4

Robert Vallie

Executive Commissioner: Governmental Relations and Inter-Collegiate Affairs

NDSU Student Government

Testimony concerning HB 1301

Chairman Kelsch and members of the House Education Committee

For us as college students we are always willing to support any measure or program created or proposed by an institutional system such as this one in helping to alleviate some of the financial hardships faced by us attempting to gain our degree and some days living off of pop tarts or roman noodles and our parents who more times out of many act as our first bank and trust in order to borrow a little currency. However while we are willing to support actions to help lessen that financial burden we also try to find those proposals that offer the best potential for success without sacrificing other areas in order to do so. So today on behalf of the students of North Dakota State University I stand here in opposition to the passage of House Bill 1301 for the following reasons:

1. The distribution of funds: Under the provisions of this legislation the funds appropriated for this tuition freeze would go from the state treasury to the state board of higher education for the purpose of offsetting any kind of impact not being able to increase tuition may cause. Our first concern with this particular action is a question of how these funds are going to be transferred amongst the schools to offset these expenses. We feel that because there is not a clear understanding as to how the state board would do such action whether as a percentage, some kind of formula funding model or based on population the concern for our students is that because there is no set measure to say how this money will be transferred from the state board level to the institutions leaves a lot of uncertainty in the whole process.
2. That there are more pressing matters to spend such funds: Now for those of you in the room that have an educational institution within your district, have sent students to college or have made the intricacies of higher education your personal hobby you would be able to point out pressing areas within any campus in the university system. The need for hiring additional faculty, renovating and repairing state funded classroom facilities, updating current infrastructure needs, funding support services like mental health or additional security personnel for campuses ect. While students like myself are always happy to see a limitation to how much we have to pay in tuition we do also understand that if we want to be able to graduate from our institutions and have a good experience we need the tools to make that happen. So while this appropriation is a very generous one to support students, we as students of NDSU believe that if this government is willing to invest this \$26.5 million we think investing it in buildings like Ehly

Hall or the Geosciences Building, investing in additional faculty, placing funds towards deferred maintenance or equity funding would be gains for us in the short and long term.

3. The potential sacrifices and consequences: Now I'll admit sometimes I have a problem thinking five minutes ahead of what I'm doing at times. If I was better able to look ahead at moments I certainly would have been a bit smarter than to decide to take on Junior Class President in high school and have to plan out prom, and walked rather than run when the sign on the grass said ice ahead and not klonked into that light pole last spring. While I can have those problems seeing into the future when looking at the potential effects of such an action both short term and long term to students there are some very serious implications. Hypothetically speaking if this legislation were to pass, become law, and the appropriation was agreed to by all parties, some individuals within this system of government may feel that if students are going to get this kind of funding they are going to need to sacrifice somewhere else in the short term. That could hypothetically lead to cuts amongst the institutions in the terms of program funding, being able to hire faculty, providing critical support services or ensure proper classroom space through renovation and repairs. The short term consequences for such an decision could very well harm the educational process in the terms of providing a quality education in a proper atmosphere for a short term gain of the two year freeze this bill intends. Further more in long term a tuition freeze of the entire university system could become one where students may not see this as an fluid option that can end but as an expectation that the state will keep tuition frozen for an extended period of time. This long term action could then potentially lead to continued cuts of funding for some of the previously mentioned services, and a drain on state dollars that when such an action was repealed could lead to massive spikes in tuition that would make college unaffordable for students and in the long term harm our education.

In conclusion madam chair and members of the committee while we as students are ones that are always supportive of measures to help alleviate the financial burdens of gaining a higher education. However much like our spending habits, while we are always happy to see a discount, cutback, or sale to save money we do recognize that sometimes when you have a good deal in front of you you need to count your blessings you have what you do. For us as students of NDSU we believe the proposed 2.5 percent tuition cap placed on our institution is fair and reasonable to help alleviate those burdens in the short term and support the proposals seen in this committee and others such as long term funding for merit based scholarships, potential policies such as tax exceptions when taking out loans or other possible methods that not only help to ensure affordability in the short term but also ensure security in the long term for students after they have left school. It is for these reasons that while we appreciate and commend those for trying to bring to the table ideas to ensure reasonable tuition for students in the North Dakota University System we feel that we cannot support this legislation as it stands.