

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/10/2017**

Revised  
 Bill/Resolution No.: HB 1265

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$(5,700,000)		\$(14,200,000)
<b>Expenditures</b>						
<b>Appropriations</b>						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1265 limits the number of nonresident students admitted to the state's higher education institutions under reciprocity agreements.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 2 of the bill requires that for the 2018-19 academic year, the number of new out-of-state students admitted to an NDUS institution under a reciprocity agreement or education compact be limited to 250% of the number of ND students admitted to out-of-state schools under the program the previous year. The limitation increases by 15% each year through the 2025-26 academic year. At that point, the number of new students admitted under a reciprocity agreement or education compact would be limited to 150% of the previous year. Students no longer eligible for one of the programs would be charged the more expensive non-resident tuition rate.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The NDUS currently has a reciprocity agreement with the state of Minnesota and participates in the Western Interstate Commission for Higher Education (WICHE) and Midwest Higher Education Compact (MHEC). For the 2015-16 academic year, the estimated number of new students admitted to ND institutions under these agreements is 3,463. The number of ND students admitted to out-of-state schools as part of these agreements is 998. The current percent of out-of-state students entering ND versus ND students leaving under the programs is 539% for WICHE; 2,276% for MHEC; and 287% for MN.

NDUS headcount enrollment as a part of these programs would decrease by 968 students for 2018-19 and by another 150 students each year thereafter until the 2025-26 academic year. The students not accepted to a program would be moved to the more expensive non-resident rate category, which could cause some to choose not to attend a ND institution.

If none of these students enrolled at ND institutions as a result of the higher tuition rates charged to students not part of these programs, revenues from tuition, mandatory fees, room and board would decrease by \$11.5 million in FY2019 and \$28.3 million during the 2019-21 biennium. Total revenue losses through FY2026 would be approximately \$141.1 million.

For purposes of this fiscal note, it was assumed that 50% of the students no longer eligible for lower tuition rates as part of the MN reciprocity, WICHE or MHEC programs would still attend a ND institution. Under this assumption, 2017-19 revenues from tuition, mandatory fees, room and board would decrease by \$5.7 million. 2019-21 revenues would decrease by \$14.2 million. Total revenue losses through FY2026 would be approximately \$70.6 million.

Additionally, state dollars provided through the higher education funding formula would begin decreasing beginning in the 2021-23 biennium because completed student credit hours would be lower. We are unable to estimate the potential general fund appropriation reductions at this time.

Tuition rates to the remaining NDUS students, the majority of which are ND residents, would need to be increased to continue providing existing education services to students. The amount of these rate increases cannot be determined at this time.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

**Name:** Tammy Dolan

**Agency:** ND University System

**Telephone:** 328-4116

**Date Prepared:** 01/19/2017

**FISCAL NOTE**  
**Requested by Legislative Council**  
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Revenues						
Expenditures						
Appropriations						

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	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1265 caps the number of nonresident students admitted to the state's higher education institutions under reciprocity agreements.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill has no fiscal impact because the ratio of nonresident to resident students under reciprocity agreements is currently below the level delineated in section 1, subsection 2(h) of the bill at all NDUS institutions.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
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**Name:** Tammy Dolan

**Agency:** ND University System

**Telephone:** 328-4116

**Date Prepared:** 01/16/2017



2017 HOUSE EDUCATION

HB 1265

# 2017 HOUSE STANDING COMMITTEE MINUTES

**Education Committee**  
Coteau A Room, State Capitol

HB 1265  
1/17/2017  
Job 26984

- Subcommittee  
 Conference Committee

Committee Clerk Signature

## Explanation or reason for introduction of bill/resolution:

Relating to the number of nonresident students admitted to institutions under the control of the state board of higher education under a reciprocity agreement; and to provide an effective date.

## Minutes:

Attachments 1, and 2.

**Representative Rick C. Becker:** first speaker, and author of the bill. See attachment one for examples of his testimony.

**Chairman- Mark S. Owens:** any questions.

**Representative Rick C. Becker:** may I make a comment about the fiscal note, the lack thereof. This is going to be extremely difficult, and I know and hope I will be invited back when I get the fiscal note, because that will be critical. A fiscal note is essentially going to be complete and total guesswork. Because we are not going to know how many students are going to continue, how many students are going to move from the Minnesota silo, from the MHAC silo, and how many students will be outside of that silo. Of those students that are outside of both silos' I do not know what percentage will still come to North Dakota anyway. And there is the aspect of expenditure, and income and expense. When we have fewer students coming into North Dakota, there is less tuition paid, that is going to show a decreased revenue. The challenge in the fiscal note would be to also incorporate the decreased appropriation that would need to be made to higher education, which would be negative. We cannot look at tuition as a net, in this case it would be a net negative. In other cases, where we are trying to get students in it is looked as a net positive, it balances out with what the state appropriation is with higher education.

**Vice Chairman- Cynthia Schreiber-Beck:** Did you look at the, if the student in North Dakota, meaning obviously the numbers that are in K-12 would not necessarily would kind of even rate, it has been declining in various areas. If indeed the number of North Dakota students that enroll declines marketable, then the numbers that we can take in the, the clients market may as well, if I am reading this right. In 2025-26 academic year it is only 150% of the number of resident's students, so if our revenue students are down to 5000 students.



**Representative Rick C. Becker:** I am not sure if I understood correctly, it sounded like you were talking about the number of students in North Dakota.

**Vice Chairman- Cynthia Schreiber-Beck:** is there any predictability that you have, I don't know. What if it diminishes to a very low number, it does not matter how many are graduating, but how many would be enrolled in our institutions. All that are resident students, if I understand that right, if there was 5000 enrolled that were residents in 2025-26, I just want to verify that 150 percent of that would be that you can bring in 7500 out of state students, am I understanding that correctly.

**Representative Rick C. Becker:** if in 2025-26 1000 student were going to Minnesota, we could bring in 1500 of Minnesota to North Dakota as far as predictability there has been a slight decline in North Dakota students, but if you look at K-12 and each year which you probably have, there is no point where there is a precipitous drop, in fact there is an increase, one would assume that just as there has been for the past 100 years, what we see in K-12 is as a percentage is what we are going to see with our higher education.

**Vice Chairman- Cynthia Schreiber-Beck:** We cannot forget where they are going to go.

**Representative Rick C. Becker:** We can go by the trend that we have seen, and ask ourselves what occurrence or incident would need to take place for there to be a dramatic change from the trend line that we have seen year in and year out. Because we do not have the opportunity for rebuttal, I would like to mention in case it gets brought up, the gap payment. Sometimes it has been said to me that the ratio is irrelevant because Minnesota pays a gap payment to North Dakota, and they make up the difference, so it means more money for us. I will contend it is a little bit in the weeds, but the gap payment does not come even close to paying for the difference, what the gap payment is, if we look at the amount it costs per student, which we addressed earlier this morning at 13,600, that does not include the improved classrooms, the buildings, and what have you, right. So the goal is to look at the marginal costs of a student, the marginal cost of a student is, if you have 5000 students how much more does it cost you to have one additional student. So that is why they take the plant services out, they go forward and say they will discount it, we will multiply that number by 64%, and that is how we are going to get the marginal rate. What they are saying is that it cost only 64% of the normal cost of a student to add one more, that is not reality. Because when you have over half your population of students from outside the state, it is not a discount of that degree, because you have to have, if you had one student you don't have to have a new classroom, you don't have to have another teacher, you don't have to have more administration, when you add 5000 students, you do. It is erroneous to say that, number 1 take up the costs of all the classrooms and the plant services, number 2 we are going to discount it all the way down to 64%, and we are going to say that is the marginal cost, but that is what we are doing, ok. So then Minnesota takes that marginal cost, and it subtracts the amount of in-state tuition, and it subtracts the amount of the premium which is 12% at this point, and then it says ok, the difference there, that is what we are going to pay North Dakota, so the gap payment per student is about 650 dollars, that does not make up the difference, so I just want to alert you to the point if the gap payment comes up, it is a bit convoluted if you dig into it, you will realize that it does not make up, and if it did I would not be worried about the ratio. Another thing I will point you to, on the last page of my handout I just want to look at the first paragraph of the dark section, it is also like getting free money, and it is for



the students that come from out of state, it is free to them, it is just not free to North Dakota citizens.

**Chairman- Mark S. Owens:** any other questions. Representative Becker when we get the fiscal note, and we are going to reconvene and discuss it, you are more than welcome to come back, and I will let you know. Are there any other individuals in support of HB 1265, any one in opposition to HB 1265.

**Mark Hagereth:** Chancellor of the University system, just to recap again. A fiscal note will be amended, secondly we cannot support it due on the principal of the flexibility adaptability required to the state board which you've charged us to do, which includes faculty staff, student representatives, for we are working on the tuition policy, we have realized that we had a plan about a year and a half ago that would have been very lock step kind of a concrete, and we began to realize we have a wildly divergence system, and in the strategy we see ourselves as part of the economic engine of North Dakota, the governor said this, the former governor said this to diversify our economy out of agriculture, and energy we have to have knowledge, technology, we want to partner with you, and we have reached out on our vision 2030, that looks at students in the future classroom, liberal arts, all those things, and five of the pillars are economic: energy, agriculture, healthcare, I-T, and manufacturing. So, we are part of how you will diversify the economy. The economy of scales argument, we know that we have to offer, the world is changing, and if we just had North Dakota students in a ration that we had to abide by, I think some things would slow down, and not grow as fast, which would affect the workforce, and very important initiatives in the state, and we also acknowledge completely with what Representative Becker is doing, and we put North Dakota kids first, the board is in control, and we are trying to work that long complicated equation, and it relates to this as well, so we are in opposition to numerical caps.

**Chairman- Mark S. Owens:** any more questions.

**Rep. Brandy Pyle:** why does this come up, what was the top 10 reason that they chose going to North Dakota over Minnesota.

**Mark Hagereth:** We vary by campus, for example in the eastern part of the state we have high ranked research institutions, ok. I will give you one example, we went out to Minnesota, and they cannot do certain types of research because of restrictions they have. We have a leading agriculture college in the upper Midwest, I would say one of the best in the entire world. My cousin is a big rancher, has a whole operation in Kazakhstan, they want to come here and learn how to build an agriculture school like ours. So, through what predecessors and investments that we have leading schools top in the nation, UAS robotic research, etc. So they come here because of academic programs, they also here because the community welcomes them, I traveled to California and met some people that took our online courses, this is why the Air Force loves us, we had the first online engineering degree, so the Air Force personnel, and Chairman- Mark S. Owens came to the Air Force. First state in the country to offer an online engineering degree from UND, and these young Airmen could go to Iraq. Those numbers could count, and once they got out of the Air Force and they are still taking the courses where do they go. SO it is our programs, it is our outreach, it is the community, and as I said in our testimony to the appropriations committee, the legislature in North Dakota has made incredible investments in higher education that other states have massive



benefactors. Harvard has 35-billion-dollar endowment, they do not have to charge tuition to anybody, but we have a legislature that has built programs with the money that Representative Becker has talked about, and just made them very attractive, so there is a lot of reasons to come here, depending on the region, Williston is a hub, there is not college nearby in Eastern Montana so they come this way, Dickinson similarly. The Canadian border, so we see ourselves as good neighbors in the upper Midwest, it is a draw for many reasons, programs, community, proximity, and cost. There is an investment we are making there, but also a big outreach to veterans, because of our two big bases we have here, so lots of reason to come from out of state, but each one will vary.

**Rep. Denton Zubke:** would you just take a second, and address the gap payment, it looks to me that there is quite a bit of disparity there, and I am assuming you may be.

**Mark Hagereth:** I would like to be able to come back and explain in more detail, I did not realize that I would be testifying down here, until about 8:15 this morning, so I was actually in the hearings, all my universities are briefing to the appropriations committee, and I probably should be here. The numbers, Representative Becker has done his homework on all these things that we met, and very collegial, so at this point I would have to double check, but the fixed costs that he is talking about, and the ratios, and I would just say the difference that all the other factors we take together, you add all those other things, they pay room and board, they are part of the economy, they are going into business, they are all part of a larger equation, and in many cases the fixed plant is a fixed cost, so the presence are not irrational, whatever they do with a student, they are getting a net positive once you take those fixed costs out, now long term if it is the replacement of an entire building, and you realize this really will not pay for itself, even with a subsidy from the state of North Dakota, I think our presidents are being pretty rational on these things, but again I cannot dispute the numbers he has there, and maybe we can address it with the fiscal note.

**Chairman- Mark S. Owens:** Any further questions, seeing none thank you. Anyone else with opposition to HB 1265.

**Katie Mastel:** See attachment 2 for testimony.

**Chairman- Mark S. Owens:** any questions.

**Vice Chairman- Cynthia Schreiber-Beck:** do you have any statistics on the number of students that stay after they graduated, and join the North Dakota workforce.

**Katie Mastel:** I do not have numbers of that right now, I was looking into that, and I can try to get those for you all, I was interested in those as well, I was just speaking on that vaguely as number that students that stay.

**Chairman- Mark S. Owens:** anyone else opposed to HB 1265, any neutral testimony for HB 1265.

# 2017 HOUSE STANDING COMMITTEE MINUTES

Education Committee  
Coteau A Room, State Capitol

HB 1265  
1/17/2017  
Job 27021

- Subcommittee  
 Conference Committee

Committee Clerk Signature

## Explanation or reason for introduction of bill/resolution:

Relating to the number of nonresident students admitted to institutions under the control of the state board of higher education under a reciprocity agreement; and to provide an effective date.

## Minutes:

No attachments

**Rep. Longmuir:** I kind of agree with Rep. Brandy Pyle during that discussion, I think it was Rep. Brandy Pyle that said as we walk back the number of enrolled people from North Dakota we are cutting back the amount of out of state people at the same time, we are really the doubling the negativity of the project, because if North Dakota students decline the ability of out of state students decline also, if I understand that correct.

**Rep. Brandy Pyle:** I think Vice Chairman- Cynthia Schreiber-Beck said that, but these 11 public funded institutions are fighting over the same high school graduates, so they are fighting amongst themselves to get enrollment in let say NDSU would appeal to us versus Minot state.

**Chairman- Mark S. Owens:** from a small population.

**Rep. Brandy Pyle:** so it is really difficult to educate our own residents. As a non-native North Dakotan this is almost insulting to me, I chose not to go to NDSU, I went to the University of Minnesota, but I had my own reasons, but I married a farmer and we came to North Dakota, and our kids are going to school here, and I do not know what their choices are, I want them to see the world, I want them to experience and do as well as get a great education. That is their choice, and if we want them to stay here, you have to have. (soft audio)

**Rep. Rich S. Becker:** not just because she was the last person that spoke, but I totally agree with what she is said, and I am going to vote that way, we have 11 communities ranging in size from Grand Forks/Fargo down to Bottineau maybe the smallest. We have 11 communities that nine months out of the year their economy is certainly different, then when the sessions are over< I think we need to bring people in, if we do not have enough local people to provide the programs and the efficient and costly way, and add to the culture and



the diversity of pretty homogeneous population that we have in North Dakota, in recent years we are finally raising the average age, or lowering the average age in our communities. I just take a look at this, and maybe I am just looking at it from an economic point of view, but those students are valuable, and we need them. The more of them that we have the better, and I guess I have not been able to compute in my mind what Representative Becker's cost estimates were, that we are subsidizing these students that are 50% of what the normal tuition is, I am not sure I understand that point of view, I just think this bill, well I am going to vote against it.

**Chairman- Mark S. Owens:** I want everybody to keep in mind that we are waiting for the fiscal note, and then there will be some additional information coming. While I appreciate your initial feeling toward something, let's keep an open mind.

**Rep. Matthew Ruby:** I kind of feel like both these bills do the same thing, but on different scales. One thing that Representative Becker was worried about was, he is looking to maximize out of state tuition. It does not make sense to enter these two bills, why would we vote to increase out of state tuition, just to reduce the amount of people that we let in, and roughly it is the same amount of money, and it does not fix our problem, we just have fewer students from out of state. Put it in money terms, and it does not make sense to me.

**Rep. Dennis Johnson:** when you look at the colleges that we have in our state, we have police officer training program in Devils Lake that has expanded to Grand Forks, Bismarck, Fargo, and Minot. They float around, and it is based out of Devils Lake. We have a nursing program in Devils Lake with a new facility that is hooked up with Minot, and Mayville. It is made like that so they can stay at home and still get that degree based out of Devils Lake, we have a power plant courses that are in Bismarck, the colleges have been charged years ago to try and get their specialties, so they will not be competing with each other, we have wind power program in Devils Lake, and Bismarck would like to get that, they have pieces of it, but wind power program is in Devils Lake. So it tried to specialize in those areas, and when you can have programs that attract out of state students, the tuition I feel is bringing them in, and a lot of them stay in the community and marry North Dakota farmers, you get them in here and you can have them grow their families. There is a reason we have grown to be 750,000 people in this state.

**Chairman- Mark S. Owens:** again we are waiting on more information. I understand. They do seem to be a hair contradictory to each other.

**Rep. Bill Oliver:** This bill I do not like, first off if we do the first one it will take care of the second, you know free market, we are in the free market business. It will take care of the second, those who cannot afford to come will not come, those who can afford to come we still have it priced right for everyone. This one, and once again we are going to wait for the rest of the information to come to us, but 1265 it takes away from the free market part, I can see us helping with the tuition stuff, but I think 1265 is going a little too far.

**Rep. Denton Zubke:** the only thing I would say is that this is definitely not a free market in what we are doing here, thank you.

**Chairman- Mark S. Owens:** ok, well, good conversation but on both of those bills we are waiting on some additional information. Some of the information we want to know, and some of it is just fiscal note.



# 2017 HOUSE STANDING COMMITTEE MINUTES

**Education Committee**  
Coteau A Room, State Capitol

HB 1265  
2/1/2017  
Job 27765

- Subcommittee  
 Conference Committee

Committee Clerk Signature

## Explanation or reason for introduction of bill/resolution:

Relating to the number of nonresident students admitted to institutions under the control of the state board of higher education under a reciprocity agreement; and to provide an effective date.

## Minutes:

No attachments.

**Rep. Matthew Ruby:** I will recommend a do not pass on this, I just wanted to clarify, I did not understand what Representative Becker was getting at when he brought this one to us, so I went to talk to him later. So what he is getting at is if we are going to fund a state institution, at what level are we willing to let the ratio to get us. If we are at 10 to 1 from out of state to North Dakota, then we really are not, we are doing a lot more for the out of state students than we are for North Dakota students. That is the beast of the university, I do not like this bill, and I just wanted to clarify where he was coming from, I do not agree with it.

**Chairman- Mark S. Owens:** thank you Rep. Matthew Ruby, and actually you are correct, the situation is if we are going to limit their ability to get students and survive, and not necessarily grow but just to function, we better be prepared to sustain the college or close it. Those are our really two options there, and while I appreciate what he was trying to do from a business stand point, he is talking about the taxpayers, are doing this vs how much they pay. This goes back to us trying to micro manage, first it was the amount of tuition, and now it is the number. If we are going to do that we seriously consider while we keep some of these open or not. Any other discussion.

**Rep. Mary Johnson:** I will second his motion.

**Rep. Matthew Ruby:** I move that we do a do not pass on HB 1265.

**Chairman- Mark S. Owens:** and a second from Rep. Mary Johnson, discussion?

**Vice Chairman- Cynthia Schreiber-Beck:** for other reasons as well as not to keep it, we have a desire or a terrible need for workforce people, and we do not have enough bodies to put in our chairs in our universities. We cannot control where our students from North Dakota

go either, so we almost have to have out of state students in here to fill our chairs. Some of the programs are very skewed to the out of state numbers, such as UND aerospace, I think of their students there is a very minor number, very few North Dakota residents, so some of those if we became that invasive, and that is not the total picture at UND, that would really start to turn the tide of whether or not they can operate.

**Rep. Rich S. Becker:** I would like to concur with what Vice Chairman- Cynthia Schreiber-Beck said, we lived in Colorado for a good length of time, and Colorado they could not keep their universities open, particularly the University of Colorado, and Colorado state without a lot of California students to keep their levels that they were at, I have asked some people that I know in Montana, and Montana is eagerly looking for out of state students to come to Montana, Colorado and Montana have a little bit of an advantage for competing with their geography and the mountains, and all of that. Nonetheless even states that have advantages, are looking to attract out of state students, and I will support anything we can do to support out of state students, and the notion that we are subsidizing them flies in the wind, not only the dollars that they bring, but the diversity that they bring, and the knowledge base that they bring, and many of them stay after graduate school, and many beyond stay in the state. This bill will be counter to any or all of that, thank you.

**Chairman- Mark S. Owens:** any other questions or comments. I will call on the clerk for a do not pass vote on HB 1265 14-0-0, and Rep. Mary Johnson will carry this bill.

Date: 2/1/17

Roll Call Vote # 1

2017 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1265

House Education Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

- Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Rep. Ruby Seconded By Rep. M. Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman- Mark S. Owens	✓		Rep. Andrew Marschall	✓	
Vice Chairman- Cynthia Schreiber-Beck	✓		Rep. Bill Oliver	✓	
Rep. Rich S. Becker	✓		Rep. Brandy Pyle	✓	
Rep. Pat D. Heinert	✓		Rep. Matthew Ruby	✓	
Rep. Dennis Johnson	✓		Rep. Denton Zubke	✓	
Rep. Mary Johnson	✓		Rep. Ron Guggisberg	✓	
Rep. Donald W. Longmuir	✓		Rep. Corey Mock	✓	

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. M. Johnson.

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



**REPORT OF STANDING COMMITTEE**

**HB 1265: Education Committee (Rep. Owens, Chairman) recommends DO NOT PASS**  
(14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1265 was placed on the  
Eleventh order on the calendar.

2017 TESTIMONY

HB 1265

Reciprocity	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
MN to ND	6,064	6,280	6,565	6,933	7,338	8,065	8,090	8,435	8,226	8,496	10,042	10,335	10,693	10,717	10,559	10,627	
ND to MN	5,066	5,298	5,523	5,531	5,512	5,435	5,296	5,051	4,888	4,885	4,746	5,759	4,300	4,043	3,728	3,532	
Ratio: MN to ND	1.2	1.18	1.19	1.25	1.33	1.48	1.52	1.67	1.68	1.74	2.12	1.79	2.49	2.65	2.83	3.01	
Ratio: ND to MN	0.77	0.84	0.84	0.8	0.75	0.67	0.66	0.6	0.59	0.57	0.47	0.56	0.4	0.38	0.35	0.33	
GAP	1,538	982	1,042	1,402	1,826	2,631	2,734	3,394	3,338	3,611	5,296	4,576	6,393	6,674	6,831	7,095	
Pmt from MN	\$1,387,051	\$545,738	\$0	\$0	\$0	\$1,541,414	\$2,250,164	\$3,114,302	\$3,078,707	\$4,029,094	\$4,212,845	\$5,190,278	\$5,761,508	\$7,485,213	\$6,967,852	\$12,118,633	

Attachment 1

HB 1265

4/17/17

Rick S. Becker

**MINNESOTA-NORTH DAKOTA PUBLIC HIGHER EDUCATION  
TUITION RECIPROcity AGREEMENT**

**1. PARTIES**

The parties to this Agreement are the Minnesota Office of Higher Education and the North Dakota State Board of Higher.

**2. PURPOSES OF AGREEMENT**

The purposes of this Agreement are to continue to improve the post-secondary education advantages of residents of Minnesota and North Dakota through greater availability and accessibility of post-secondary education opportunities and to achieve improved effectiveness and economy in meeting the post-secondary education needs of those residents through cooperative planning and effort by the two neighboring states.

It is intended that the opportunity to enter a public post-secondary institution in the neighboring state will be dependent upon the availability of space in the particular program to which the student applies, as determined by each campus. A student whose reciprocity application is approved by the appropriate agency in the student's state of residence will be accommodated in a public institution in the neighboring state if the student meets admission requirements applied to residents of the neighboring state and if space is available in the program to which the student applies, except for those specific programs noted in Section 4 of the agreement.

**3. TERM**

This agreement is to be effective beginning with the 2013-14 academic year. The agreement is ongoing and will be reviewed annually and may be modified at any time upon mutual agreement of the parties.

**4. SCOPE OF AGREEMENT**

**Students.** A resident for tuition purposes in Minnesota or North Dakota shall be defined by the laws and regulations of the state of legal residency. Residents for tuition purposes in either state are eligible for admission to a public post-secondary institution in the other state on the same basis as residents of that other state, except as noted below. Students enrolled in courses or programs that do not charge a nonresident tuition rate but charge a tuition rate other than the resident rate to all students enrolled in a course or program are not covered by this agreement.

Subject to available space, students from one state shall be admitted to programs in the other state if they meet the admission and performance requirements applied to students in the other state, except for the following academic programs:

- North Dakota State University Doctor of Pharmacy
- University of North Dakota Doctor of Medicine
- University of North Dakota Juris Doctorate
- University of Minnesota Juris Doctorate
- University of Minnesota Doctor of Medicine
- University of Minnesota Doctor of Pharmacy

University of Minnesota Doctor of Veterinary Medicine (beyond five guaranteed new freshmen slots per year, up to a total of 20 for four classes, for qualified applicants)

University of Minnesota Doctor of Dentistry (beyond ten guaranteed new freshmen slots per year, up to a total of 40 for four classes, for qualified applicants)

Both parties to this agreement have the authority to limit the number of reciprocity students admitted to Occupation and Physical Therapy programs in their respective states based on mutually agreed upon limits described in the annual administrative memorandum.

The North Dakota University System retains the right to submit recommendations to the University of Minnesota on the selection of North Dakota applicants for admission to veterinary medicine and dentistry.

All forms of financial aid provided by an institution shall be available to qualified students from either state, except aid programs supported by funds for which eligibility is lawfully restricted.

(a) **Institutions and Programs.** This Agreement applies to all public post-secondary institutions in Minnesota and North Dakota. An institution in one state may not offer a program in the other state without prior approval of the administering agency or agencies in the other state.

## 5. TUITION

Beginning in the fall 2013, reciprocity students attending NDUS institutions generally pay 112% of the ND resident rate at the undergraduate level and 127% of the ND resident rate at the graduate level, which varies by type of institution (e.g. doctoral, two-year, etc.). The NDUS, with the mutual agreement of MN, reserves the right to increase to 115% undergraduate and 130% graduate over a period not to exceed three years, as necessary. ND students attending MN institutions pay the higher of MN resident rate for the type of campus attended.

### **North Dakota residents attending Minnesota campuses will pay the following tuition rates:**

- North Dakota residents attending the University of Minnesota campuses will pay the University of Minnesota resident rate at the campus attended based on the program of instruction, except for pharmacy, law, medicine, veterinary medicine and dentistry. Students will pay the rate established by Minnesota for pharmacy, law and medicine. For up to five slots per year in veterinary medicine, the state of North Dakota and/or the student will pay 75% of the professional program non-resident tuition rate and for up to 10 slots per year in dentistry the state of North Dakota and/or the student will pay 100% of the professional program non-resident tuition rate.
- North Dakota residents attending Minnesota State University System campuses will pay the higher of the Minnesota State University System resident rate or the average



- University of North Dakota/North Dakota State University resident rate based on the program of instruction.
- North Dakota students attending Minnesota's two-year campuses will pay the higher of the Minnesota Community College or Minnesota Technical College resident rate at the campus attended or the North Dakota two-year resident rate.

**Minnesota residents attending North Dakota campuses will pay the following tuition rates:**

- In the fall 2013, Minnesota students attending NDUS institutions will pay 112% of the North Dakota resident undergraduate rate and 127% of the North Dakota resident graduate rate based on the program of instruction, with potential increases to 115% and 130% respectively. The following exceptions apply:
  - Undergraduate and graduate reciprocity rates for Minnesota students attending Minot State shall not exceed the tuition charged to non-residents from other states through the fall 2014 semester. All newly admitted students beginning in the Spring 2015 and thereafter will be assessed the agreed-upon surcharge.
  - The reciprocity rate for Minnesota students attending Lake Region State shall not exceed the tuition charged to non-residents from other states through the summer 2015 semester. Beginning in the Fall 2015 and thereafter students will be assessed the standard agreed-upon surcharge.
  - The reciprocity rate for Minnesota students attending UND and NDSU's joint Master's in Public Health program shall not exceed 110% of the ND resident rate in fall 2013, 120% in fall 2014 and the agreed upon surcharge thereafter.
- Minnesota students attending the University of North Dakota Physical Therapy and Occupational Therapy programs will pay the University of North Dakota resident rate.
- Minnesota students attending the University of North Dakota in medicine will pay the rate set by the University of North Dakota.
- Minnesota students attending the University of North Dakota in law will pay the rate set by the University of North Dakota.
- Minnesota students attending North Dakota State University in pharmacy will pay the rate set by North Dakota State University.

**\* 6. TUITION RECIPROCITY REIMBURSEMENT**

The state receiving the lesser number of students shall pay the state receiving the greater number of students from the other state a tuition reciprocity reimbursement. The payment shall be based on a marginal expenditure calculation as follows:

$$\begin{aligned}
 & \text{Operational Expenditure per FTE}^1 \\
 & \times \text{Marginal Expenditure Rate} \\
 & = \text{Marginal Expenditure per FTE} \\
 & - \text{Resident Tuition Rate}
 \end{aligned}$$

- = Remaining Marginal Expenditures per FTE
- x GAP FTE (Difference in state flow of students)
- = Gross State Obligation
- Student Payment (Total Tuition Payment in Excess of Resident Tuition)
- = Net State Obligation

<sup>1</sup>Excludes costs of programs exempted under the agreement and others noted in the annual memo of understanding

**7. ADMINISTRATION**

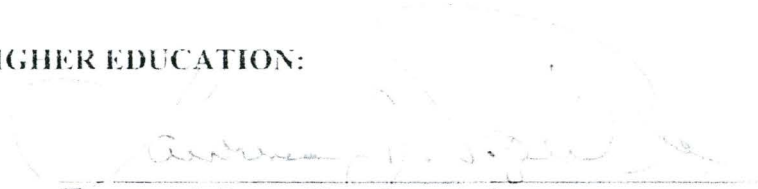
The chief executive officers of the parties to this Agreement shall prepare and execute an Administrative Memorandum of Understanding concurrent with this Agreement. The Memorandum shall include provision relating to actual reciprocity tuition rates during 2013-14 and thereafter, marginal expenditure rates, payment schedules and other provisions designed to effectuate the purpose of this Agreement. The Memorandum shall be reviewed at least annually and modified as necessary.

**8. ADMISSION, PROMOTION AND RECRUITMENT**

The parties expect that the institutions governed by this Agreement will follow the Statement of Principles of Good Practice, adopted by the National Association of Secondary Schools and College Admissions Officers, and the recommended guidelines for institutions adopted by the Minnesota Office of Higher Education and the ND State Board of Higher Education, as appropriate codes of conduct for representatives of public institutions involved in admissions, promotion, and students recruitment in a neighboring state.

**MINNESOTA OFFICE OF HIGHER EDUCATION:**

Date: 10/25/13

  
 \_\_\_\_\_  
 Lawrence J. Pogemiller, Commissioner

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION:**

Date: 11/1/13

  
 \_\_\_\_\_  
 Larry Skogen, Acting Chancellor

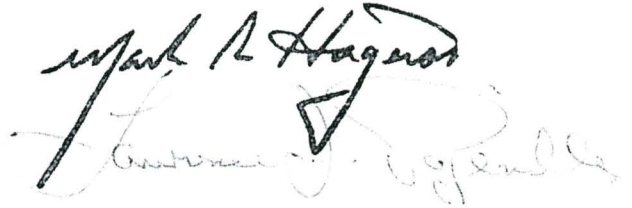
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MINNESOTA-NORTH DAKOTA PUBLIC HIGHER EDUCATION TUITION  
ADMINISTRATIVE MEMORANDUM OF UNDERSTANDING

TO: All Interested and Concerned Parties

FROM: Lawrence J. Pogemiller, Commissioner  
Minnesota Office of Higher Education  
And  
Mark Hagerott, Chancellor  
North Dakota University System



SUBJECT: Administrative Memo of Understanding for 2016-17 Academic (Certification) Year

DATE: August 25, 2016

**INTRODUCTION**

In order to implement the statutory authority and the formal interstate agreement negotiated between the two states, this administrative memo of understanding has been prepared to cover the 2016-17 administrative procedures. For Minnesota, the appropriate agency is the Minnesota Office of Higher Education (MOHE). For North Dakota higher education, the appropriate agency is the North Dakota University System Office.

**ADMINISTRATIVE PROCEDURES FOR 2016-17**

To insure procedural regularity and compatibility, the three administering agencies have agreed to follow the administrative procedures outlined in this section for the 2016-17 academic year. The following specific administrative procedures have been agreed to:

- 1. Public Information.** Following the signing of this document, each agency executive will direct a detailed written communication regarding the administration of the program in 2016-17 to the institutions of higher education and/or vocational technical education in the executive's state as well as all secondary schools and other interested individuals and organizations. Prior to the start of the certification year (Fall 2016), the three administering agencies may cooperatively develop and implement training workshops for relevant personnel from participating institutions of higher education.
- 2. Application Form.** Under this procedure all students from both states will complete the appropriate form and submit it to the appropriate administering agency in their home states. The application will include general, residency, and institutional information. Nothing shall prohibit the administering agencies from collecting application data by electronic means.
- 3. Determination of Residency.** The appropriate state agency in the student's home state will make a determination of residency based on the information provided by the student on the application form. The appropriate agency reserves the right to refuse eligibility if the information provided by the student does not substantiate the claim of residency. The administering agencies agree to place no restrictions on the educational grade level of the student. The student shall complete one application. The application will provide reciprocity for the student in continuous

attendance. Should the student not attend the institution for which he or she is approved for a 365-day period, the student must reapply for reciprocity.

Reciprocity institutions may elect to permit some students to enroll without completing reciprocity applications. Exceptions to the standard application procedures may be granted to students who enroll in a reciprocity institution within 12 months of their graduation from a high school in the state of their permanent home residence. For purposes of these exceptions, the 12-month period will be calculated from the first day of classes of the first term of enrollment in the reciprocity institution. Students must present an official high school transcript to demonstrate the location of the high school. Exceptions may also be granted when the institution can make a residency determination on campus using information supplied by the student. Institutions may choose to have all students complete the reciprocity application and submit it to the student's home state administering agency for determination of eligibility.

4. **Approval and Certification Year.** Once determined, the student's eligibility shall continue through the 2016-17 certification year. Notwithstanding prior determination of eligibility for students who establish residency in the other state during the certification year, the originating state's responsibility to the student will cease with the beginning of the first term following such establishment of residency for tuition purposes. The certification year is the 2016-17 academic year. The certification year begins with the fall term of 2016-17 academic year and ends with the last session or workshop which begins before the first day of the fall term of the 2017-18 academic year.
5. **Application Deadline.** To be eligible under this agreement a student must file a current application for the academic year the student wishes to attend the institution, prior to or during the term or semester in which the student expects to receive tuition reciprocity benefits. The completed application must be postmarked no later than the last day of scheduled classes. A term or semester is deemed to run through the last day of scheduled classes as published in the academic calendar of the school. The state agencies will not be financially liable for students enrolled under the reciprocity agreement who have not received prior approval and certification by the responsible agency. The administering agencies will cooperate in a mutual exchange of academic calendar information.
6. **Reciprocity Tuition Rates.** Institutions covered under this agreement will charge students who are determined eligible to receive tuition reciprocity benefits during the 2016-17 academic year the following:



## 2016-17 ACADEMIC YEAR

### UNDERGRADUATE AND GRADUATE PROGRAMS

#### **North Dakota Students Attending:**

##### University of Minnesota campuses

The Minnesota resident rate based on the program of instruction at the institution attended.

##### MnSCU Four-Year Campuses

The Minnesota resident rate based on the program of instruction at the institution attended. [Note: Average NDSU/UND rate may exceed rate charged by some MnSCU Four-Year Campuses, in which case, ND rate would be charged instead of MN resident rate.]

##### MnSCU Two-Year Campuses

The Minnesota resident rate based on the program of instruction at the institution attended.

#### **Minnesota Students Attending:**

##### North Dakota University System campuses

112% of the undergraduate ND resident rate and 127% of the graduate resident rate based on the program of instruction, except the following:

- At Minot State shall not exceed the tuition charged to undergraduate and graduate non-residents from other states.
- At Lake Region State College shall not exceed the tuition charged to undergraduate and graduate non-residents from other states.
- At North Dakota State College of Science, shall not exceed the tuition charged to undergraduate non-residents from other states in cases where students reside on campus.

### PROFESSIONAL PROGRAMS

#### **North Dakota Students Attending:**

##### University of Minnesota

The 2016-17 professional program resident rates at the University of Minnesota, except for veterinary medicine, dentistry, medicine, law and pharmacy.

##### University of Minnesota: Medicine, Law, Pharmacy

Students pay the program specific rate set by the institution.

##### University of MN-Veterinary Medicine and Dentistry

The University of MN will offer up to five new slots per year in veterinary medicine. Under the Professional Student Exchange Program, the state of North Dakota will pay no more than the difference between the MN resident rate and 75% of the MN non-resident tuition rate. The student will be responsible for all additional tuition costs not covered by the State of North Dakota.

The University of MN will offer up to 10 slots per year in dentistry. Under the Professional Student Exchange Program, the state of North Dakota will pay no more than 25% of the MN non-resident rate. The student will be responsible for all additional tuition costs not covered by the State of North Dakota.

The state of North Dakota, under the Professional Student Exchange Program, will pay for slots only if appropriated funds are available.

#### **Minnesota Students Attending:**

##### University of ND and North Dakota State University

127% of the 2016-17 professional program specific resident rate at UND or NDSU, except for occupational therapy, physical therapy, medicine, law and pharmacy.

University of ND: Medicine and Law  
Program specific rate set by the institution.

University of ND: Occupational Therapy and Physical Therapy  
Program specific resident tuition rate. Minnesota enrollment in each of these two programs will be limited to no more than 40% of the annual class enrollment.

North Dakota State University: Pharmacy  
Program specific rate set by the institution.

7. **Coordinative Procedures.** The Minnesota Office of Higher Education will provide automated data processing for **all** applicants and institutions participating in the agreement. North Dakota residents will make application to the North Dakota University System Office, whichever is appropriate, where applications will be examined and determinations of eligibility made. Coded applications will be forwarded to the Minnesota Office of Higher Education periodically for entry to a shared database. At least monthly the MOHE will provide to the North Dakota agencies separate alphabetic listings of all North Dakota residents attending higher education institutions or vocational technical institutions. Periodically, MOHE will provide to each institution eligible under the agreement an alphabetic listing of eligible residents at that school.
8. **Institutional Monitoring.** The appropriate administering agency will be responsible for monitoring institutions in their home states for compliance with the spirit of the reciprocity agreement and the provisions of this administrative memorandum.

### **REPORTING PROCEDURES**

1. Institutions that accept high school students under the **ADMINISTRATIVE PROCEDURES** Section 3, will be required to provide the MOHE with an electronic file of these students at least once during or upon completion of the quarter or semester.
2. After each term or semester, the MOHE will provide a final certification file for dissemination to each institution, which will include the names of all students eligible for participation under the agreement during the academic term.
3. Using these files, each institution will indicate the credit hours or clock hours that were carried and paid for by the student. Term enrollment files will then be submitted to MOHE for entry onto the tuition reciprocity database.
4. MOHE will be responsible for a timely return of completed term enrollment files from institutions in both states. MOHE will forward one copy of each institution's completed term enrollment file to the appropriate agency in North Dakota.
5. MOHE will then be responsible for calculating the total credits carried or clock hours attended for the appropriate institutions in both states, with final calculated figures validated and approved by each respective state.

### **REIMBURSEMENT**

The state receiving the lesser number of FTE students shall pay the state receiving the greater number of FTE students from the other state a tuition reciprocity reimbursement. This payment



should be based upon the marginal expenditure calculation. For the 2016-17 academic year the following formula provisions shall apply:

\* **INTERSTATE PAYMENT:**

**Marginal Expenditure Rate:**

The marginal expenditure rate to be used in the marginal expenditure calculation will be 64% for academic year 2016-17.

**Operational Expenditures per FTE:**

- The operational expenditure shall be the average 2015-17 general fund and tuition revenue appropriations per FTE student for all programs at the University of North Dakota and North Dakota State University, including IT related expenditures, but excluding funding for all plant improvements, the Extension Service, Experiment Stations, and students enrolled in programs exempted under this agreement. North Dakota programs exempted include NDSU Doctor of Pharmacy, UND Doctor of Medicine, and UND Juris Doctorate.
- Enrollment estimates should be revised as necessary. The operational expenditure per FTE should be revised if any changes occur after the original appropriation level is determined.

**Payment Schedule:**

The state incurring the obligation will pay the other state according to the following schedule for the 2016-17 academic year obligation:

December 2016:

- Remaining payment from the 2015-16 academic year obligation based upon final calculations.
- 50 percent of the 2016-17 academic year obligation based upon an estimate that has been mutually agreed to by both states.

July 2017:

- 25 percent of the 2016-17 academic year obligation based upon an estimate that has been mutually agreed to by both states.

December 2017:

- Remaining payment from the 2016-17 academic year obligation based upon final calculations.
- 50 percent of the 2017-18 academic year obligation based upon an estimate that has been mutually agreed to by both states.

Prior to the above-mentioned dates, the Chancellor of the North Dakota University System shall determine the payment and notify the Minnesota Office of Higher Education.

North Dakota Century Code Chapter 15-10.1 was enacted in 1969 and authorizes the State Board of Higher Education to enter into reciprocity agreements with other states and institutions to allow nonresident students from each state to pay a tuition rate less than the normal nonresident rate. As a result, the State Board of Higher Education and the Minnesota Office of Higher Education entered into a tuition reciprocity agreement in 1975. The agreement was updated in 1995 and again in 2013. There are provisions in the agreement that allow for various adjustments to be made to tuition rates without amending the agreement.

The GAP payment is based on the estimated costs of enrolling the additional out of state students compared to the tuition paid by the students as follows:

1. The estimated marginal educational cost per FTE student is determined for each academic year. The cost is used to recognize the incremental instructional costs associated with the additional student enrollment.
2. The average resident tuition rate at UND and NDSU is then subtracted from the marginal educational costs per FTE student to determine the remaining educational costs per FTE student.
3. The per FTE student remaining additional educational costs are multiplied by the FTE GAP students to determine the total additional educational costs.
4. The amount of tuition paid by Minnesota students above the resident rate (the 12% additional surcharge) is then subtracted from the total additional educational costs to determine the GAP payment.

- Operational Expenditure  
per student = \$13,620 -

The following is the GAP payment calculation for the 2014-15 academic year:

Estimated marginal educational cost per FTE student	\$8,717	→ (64% Op Ex)
Less: Average resident tuition rate charged by UND and NDSU	(\$6,496)	
Remaining educational costs per FTE student	\$2,221	
Multiplied by the number of GAP students	6,832	
Total remaining educational costs	\$15,173,872	
Less: Tuition paid by MN students above the resident rate	(8,236,020)	≈ 76%
GAP Payment	\$6,937,852	≈ \$650



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## STATE HIGHLIGHTS

### North Dakota and WICHE (<http://wiche.edu/wiche-region/nd>)

#### *Working Together for Three Decades*

joined: 1984

#### **Return on investment:**

In 2013-14 North Dakota, its institutions, and its students saved or brought in some \$2.5 million through WICHE and spent \$131,000 for membership in the commission, yielding a 19-fold return on investment. *1900% profit!*

In the last 5 years, North Dakota savings from WUE alone total more than \$6.2 million, yielding a 10-fold return on the state's investment in WICHE. *1000% profit!!*

#### **Student Savings**

<b>Student Savings WUE:</b>	\$1,094,799
<b>Student Savings WRGP:</b>	\$224,064
<b>Student Savings PSEP:</b>	\$812,455
<b>Student Savings Total:</b>	<b>\$2,131,318</b>
<b>PSEP Revenue:</b>	\$321,534
<b>Grand Total:</b>	<b>\$2,452,852</b>

**In the three decades since North Dakota joined the commission, the state has benefitted in a number of essential ways.**

Thousands of students from North Dakota have attended undergraduate, graduate, and professional programs in other Western states through WICHE's Student Exchange Program, saving millions of dollars, thanks to reduced tuition rates. In just one of the programs, the Western Undergraduate Exchange, **North Dakota students and their families have saved over \$31 million** since 1988, when the state joined the program. (See "Doing the Math," below, for North Dakota's return on investment.)

North Dakota has received funding to be part of numerous WICHE policy initiatives, including those focused on financing and financial aid, workforce policy, and other areas.

## What is it?

The Midwest Student Exchange Program (MSEP) is a tuition reduction program that makes attending out-of-state colleges and universities more affordable for non-resident students. By enrolling in a MSEP program at a participating institution, you will receive a reduced tuition rate—giving you a wider range of education options for your education dollars. Nearly one hundred colleges and universities in Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, and Wisconsin have opened their doors to each others' citizens by offering **reduced tuition rates**.

## How does it work?

The MSEP is **not** a scholarship. Through the MSEP, public institutions agree to charge students no more than 150% of the in-state resident tuition rate for specific programs; private institutions offer a 10% reduction on their tuition rates. You must enroll as a non-resident student at a participating MSEP campus to receive the discount. **It's almost like getting free money.**



"MSEP has made it possible for me to attend a university that caters to my major of choice. The state I'm from does not offer the major I'm pursuing. (Without MSEP) I would not be able to afford college."

*Amanda,  
Nebraska resident attending  
Wichita State University*

## Where can I learn more?

It's easy. Simply visit <http://msep.mhec.org> to:

- Search for participating institutions and programs
- Learn about campus enrollment requirements
- Find campus-specific contact information
- Learn more about this money-saving program

*If you don't have access to the internet, simply contact us:*

Midwestern Higher Education Compact  
105 Fifth Avenue South, Suite 450  
Minneapolis, MN 55401

**Phone:** (612) 677-2777 -or- 1-855-767-MHEC (6432)

**E-mail:** [msep@mhec.org](mailto:msep@mhec.org)

**What are you waiting for? Start saving today!**

Attachment 2

HB 1265

1/17/17

HB 1265 Opposition

Katie Mastel: NDSU Student Government

Chairman Owens, members of the committee, for the record my name is Katie Mastel and I am here on behalf of NDSU Students to testify in opposition of house bill 1265. 1265 will gradually reduce the number of out of state students admitted into programs, and as nearly half our NDSU student body are Minnesota residents, we strongly oppose this bill. Many of the students that we draw into North Dakota through education at NDSU, stay and enter the workforce here, stimulating our economy. By limiting the number of students admitted to any program at an institution is a disservice to our students and our universities as a whole. Our universities require all different talents in all different fields. The experience and knowledge any individual student can bring creates a diverse program and is beneficial to all students.

Though some of our programs become very competitive, it pushes our students to achieve higher excellence and in turn creates a better individual, a better program, and once they graduate, a better working citizen. Many of our colleges already have preference for in state students and thus take their own approach to limiting out of state students. To have a blanket model for such different programs in such different institutions isn't the answer. We pride ourselves in having such a strong presence of Minnesota students at our university as they drive our school helping to lead in academics and programs.

House Bill 1265 would stunt our growth within NDSU and prove to be a disservice to our student body as a part of our campus would gradually be diminishing. These nonresident students prove to be some of our best leaders and highest honor students, and we as students can't afford to lose that presence on campus. I ask you all to think of these students, not as Minnesota residents or any other state's residents, but as the students they are, our students, and as I stand here testifying today we as students don't support a cap of these nonresidents that we can admit and thus oppose House Bill 1265 as written.