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July 13, 2011

Honorable Bob Skarphol State Representative P.O. Box 725 Tioga, ND 58852-0725

Dear Representative Skarphol:

This letter is sent to you in your capacity as chairman of the Legislative Management's interim Higher Education Committee. I am expanding the committee's responsibilities to include a review of higher education funding, including the following duties:

- 1. Examine alternative funding methods for higher education that reward outcomes, such as increasing the percentage of degrees awarded, increasing the percentage of on-time graduations, increasing the percentage of degrees awarded to low-income students, or increasing first-year student retention.
- 2. Review options for a funding methodology that is based on the actual cost of delivering an educational program.
- 3. Review options to develop a system of weighted student funding that incorporates a three-tiered funding philosophy and rewards the number of degrees awarded to students that are employed in the state following graduation.
- 4. Assume that historic spending levels are the initial indicator of the actual cost of educating students.

I trust your committee can handle this increased responsibility and report its findings to the Legislative Management in November 2012.

Please do not hesitate to contact me if you have any questions concerning this additional committee responsibility.

Sincerely,

Representative Al Carlson

Chairman

AC/PG

cc: Members of the Legislative Management
Members of the Higher Education Committee
President, State Board of Higher Education
Chancellor, North Dakota University System