

This is a testament to the power of the Challenge Fund in opening doors for students like Ally.

We are also seeing that this program generates interest from donors across the country. **Sixty percent of gifts to UND through the program have come from donors outside the state** who want to invest in higher education in the great state of North Dakota. Other foundations report similar engagement from out-of-state donors. Donors want to team with the state to maximize the impact of their gifts. We have seen over and over how the Challenge Grant program has compelled a donor to give or to give more than they may have originally intended.

As an example, we have a family foundation that has said it wants to commit at least another \$100-thousand into its scholarship endowment in 2025 as long as the Challenge Fund program is in place.

Success stories can be found across the state: The UND Alumni Association & Foundation set another **fundraising record** this past fiscal year. Scholarship support at Bismarck State College **rose 69%** in just one year. NDSU successfully completed a **capital campaign** and Minot State has reached its **campaign fundraising goal of \$50 million**. At the North Dakota State College of Science, more than half of the **\$17.5 million raised** and matched has gone to **Career and Technical Education and Allied Health scholarships and programs**. The Dickinson State University Heritage Foundation hit a milestone this fall when it surpassed **\$60 million in donations** since it began rebuilding in 2016. Ty Orton has said the challenge grant has been a major factor in their fundraising success.

This is the legacy you have established through the North Dakota Challenge Grant program. Now, you have the opportunity to expand that legacy. By funding another round of Challenge grants, you will fuel an amazing period of growth and prosperity for North Dakota's colleges and the students they serve. I encourage you to consider Governor Armstrong's \$50 million request for this program to maximize the impact.

Private giving is more crucial than ever for higher education institutions across the state. Initiatives like this are essential for supporting academic programs, funding endowed faculty positions, and providing scholarships that ensure our colleges and universities remain accessible to students from all backgrounds. As partners – our donors and you as state leaders – will ensure that we produce graduates that meet the evolving needs of the 21st-century workforce.

Sincerely,

DeAnna Carlson Zink
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March 13, 2025

Written Testimony in Support of SB 2003 (North Dakota Higher Education Challenge Grant Fund)

Chairman Nathe and members of the Committee,

Thank you for allowing me to submit testimony regarding the **North Dakota Higher Education Challenge Grant Fund**. I want to express my sincere gratitude to each member of the North Dakota Legislature for your continued support of this vital program. The benefits have been far-reaching and transformative.

Over the past 12 years, **\$94 million in state dollars** have inspired **\$188 million in donor gifts**, creating a **\$282 million impact** across North Dakota's colleges and universities. Countless students have been helped by the generosity shown by our donors and you, our state legislators. Through this public-private partnership, our donors are collaborating with the state to drive transformative change. By channeling many contributions into endowments, the Challenge Fund not only supports current students but also ensures a lasting impact on public higher education in the state for generations to come.

At the University of North Dakota alone, **250 scholarship endowments** have been created thanks to this program.

The impact of these scholarships is not just a statistic; it's a real, tangible difference in the lives of our students. Take, for example, the experience of Ally Kujath, a senior at the University of North Dakota majoring in Political Science and Business Economics.

"When I was deciding where to attend college, the scholarship opportunities at UND, and specifically within the Nistler College of Business & Public Administration, were a deciding factor," said Ally, a Minnesota native.

Ally believes her scholarships have significantly impacted her college experience by reducing her financial burden and allowing her to focus on her studies and extracurricular activities.

Ally said, "Instead of spending countless hours in a part-time job to cover tuition costs, I have been able to dedicate my time to meaningful experiences such as studying abroad in France, participating in student organizations, and engaging in research projects. The financial support has also allowed me to volunteer in the Grand Forks community with the Girl Scouts and Bio Girls. These opportunities have enriched my education and broadened my horizons in ways I never imagined."

Ally is a recipient of the **Pancratz Dean's Emerging Leaders Scholarship**. It was funded by Linda Pancratz and received a matching grant from the Challenge Fund in 2016. "Having the state of North Dakota be a partner in that philanthropy shows me that the entire state is invested in my success," Ally said.

319 Endowments supported

- 210 for student scholarships/recruitment
- 50 for student high achievers
- 35 for faculty support
- 13 for priority needs
- 11 for programs

\$23,651,185 went towards 4 capital projects on campus (\$16,107,933 - private donations, \$7,543,252 - matching funds)

- Collaborative Energy Complex
- Nistler College of Business and Public Administration
- Aerospace Foundation Facility
- Student Academic and Engagement Center

586 total donors

40% were North Dakota donors (\$14,797,868)

13.5% of donations were from the support of businesses and organizations

Rep. Mike Nathe:

Show a breakdown of what the Challenge Grant is being used for.

ND Challenge Grant Summary

ROUND	YEARS	STATE MATCH AMOUNT
ROUND 1	2013-2015	\$10,000,000
ROUND 2	2015-2017	\$6,528,000
ROUND 3	2017-2019	\$200,000
ROUND 4	2019-2021	\$1,700,000
ROUND 5	2021-2023	\$1,700,000
ROUND 6	2023-2024	\$4,900,000
		\$25,028,000

There has been \$52,131,481 collected in private donations towards the ND Matching Challenge Grant.
Over \$77 million combined between private donations and state match from the ND Challenge Grant Program.

Endowment supports the following areas at UND:

- Athletics
- College of Arts and Sciences
- College of Education and Humans Development
- College of Engineering and Mines
- College of Nursing and Professional Disciplines
- John D. Odegaard School of Aerospace Sciences
- Nistler College of Business and Public Administration
- School of Law
- School of Medicine and Health Sciences
- UND Academic Affairs
- UND Greek
- UND Student Affairs

While intake numbers may not fully reflect the overall health of the student population, they offer valuable insight into behavioral health trends. The trend seems to be that we are seeing less students in crises, which is a good sign. Anyone concerned about a student can submit a CARE report, prompting outreach to offer support. This proactive approach provides outreach to students via our CARE Team. It allows us to assist students who may not otherwise seek help through SHS or the UCC.

In April 2025, UND is launching a Healthy Hawks initiative that includes the leadership of SHS, the UCC, and the Wellness Center & Health Promotion department to further enhance our ability to serve the comprehensive wellness needs of UND students and community.

On a final note, the last ACHA NCHA results indicated that 87.0 % of college students surveyed described their health as “good,” “very good” or “excellent.” Additionally, 35.8% indicated they had seen a psychological or mental health provider within the last 12 months; 41.2% of those students indicated they used the UCC for those services. We are seeing many students, and we believe that our services are comprehensive and being utilized. Our success requires consideration of all of the factors referenced above.

We are very thankful to the North Dakota Legislators who made it possible to hire additional staff that enabled us to see more students and expand training opportunities for future providers.

Rep. Karla Rose Hanson:

How do you measure the success of the behavioral health programs?

UND is fortunate to have strong leadership overseeing its behavioral health programs and services. These services encompass clinical assessments, scheduled and crisis care, and psychiatric support, including medication management, and outreach. As such, UND's behavioral health services include both the University Counseling Center (UCC) and Student Health Services (SHS). The UCC provides counseling services, case management, and substance use treatment, while SHS delivers psychiatric care. Staff in both the UCC and SHS complete required continuing education to stay abreast of the various issues patients may experience while learning about the latest developments and associated care regimens.

Student Health Services is accredited by the Accreditation Association for Ambulatory Health Care (AAAHC)—the highest recognition available for student health centers. Similarly, the UCC is accredited by the International Association for Counseling Services (IACS), the highest standard for university counseling centers. Few institutions hold either of these accreditations, underscoring the quality and comprehensiveness of services at UND.

UND is a member of the American College Health Association and regularly participates in the National College Health Assessment (NCHA), which we use as one measure of effectiveness. The North Dakota University System administers the survey for the system. Our services are widely utilized by students on a daily basis, including those enrolled online across nearly all 50 states.

We actively promote our offerings through student peer educators and support, outreach and training efforts, and social media, recognizing that students often rely on peers for information. We also document each visit to SHS and the UCC, including its purpose and the type of care or action taken.

Student Health Services visits:

FY23 -- 6,240 provider visits, of which 245 were to see the two psychiatric providers.

FY24 -- 5,615 provider visits. 213 of were to see the psychiatric providers.

University Counseling Center visits:

FY23 -- 4,356 appointments with 111 crises.

FY24 -- 5,722 appointments with 87 crises.

Current OB-GYN workforce and the population they serve in North Dakota:

The census data for 2023 shows that North Dakota has a population of 154,200 women of childbearing age (15-44 years old). In 2023, there were 72 OB-GYN physicians in the state. Among them, 56 work in areas with populations over 50,000, while 16 practice in regions with 10,000 to 49,999 people. Of the 72 Ob Gyns in the state, 51 (70.8%) graduated from the UND School of Medicine and Health Sciences.

Physician training in Obstetrics in North Dakota:

All Family Medicine residents trained in North Dakota receive training in obstetrics, including deliveries. The amount of training varies between programs, especially concerning the number of deliveries and C-Section training. The UND Family Medicine Residency programs in Fargo, Minot, and Bismarck (including rural sites in Hettinger & Williston) meet the national standards, providing at least 200 hours (or two months) dedicated to obstetrics. This includes prenatal care, labor management, delivery management, and postpartum care.

Additionally, the Altru Family Medicine Residency in Grand Forks offers an OB Fellowship. This fellowship gives an extra year of training after the three-year residency, focusing on C-Section deliveries and higher-risk obstetrical services. North Dakota does not have an OB/GYN residency.

Regarding future considerations for maternal health in North Dakota:

The two maps shown above are areas defined as healthcare deserts by the federal government. These definitions are applied to all states and have little flexibility. An area defined as a maternal care desert must first meet criteria as a primary care desert. The requirement to be a primary care desert first excludes areas from being considered for maternal care deserts without evaluating their specific maternal workforce. Moving forward North Dakota may choose to pursue state-level initiatives regarding maternal care and maternal access. If that occurs it would be strongly encouraged to utilize data and subject matter experts from North Dakota to determine what a maternal health desert looks like for the state and the unique needs it may present.

Based on the response from Dr. Maridee Shogren, Dean, UND College of Nursing and Professional Disciplines:

There are MAJOR OB deserts in rural areas. The last data I saw, North Dakota went from 19 hospitals that could cover deliveries to 11. North Dakota has very few nurse-midwives (I believe 29 only), but not all are practicing full-scope (able to attend deliveries). Many North Dakota OB-GYNs have not been open to adding CNMs (Certified Nurse Midwives) to their practices. HRSA now includes CNMs in their health professional shortage areas and we qualify for loan payback. We could certainly explore adding a program BUT it is expensive to do so and clinical placement sites in ND would be difficult, as would finding faculty with this specialty. Montana recently added a program and the University of Minnesota has a large program. On a side note, NPs can cover prenatal care but they do not attend deliveries. So, FNP's and family practice physicians often cover OB-GYN care in rural ND as opposed to OB-GYNs.

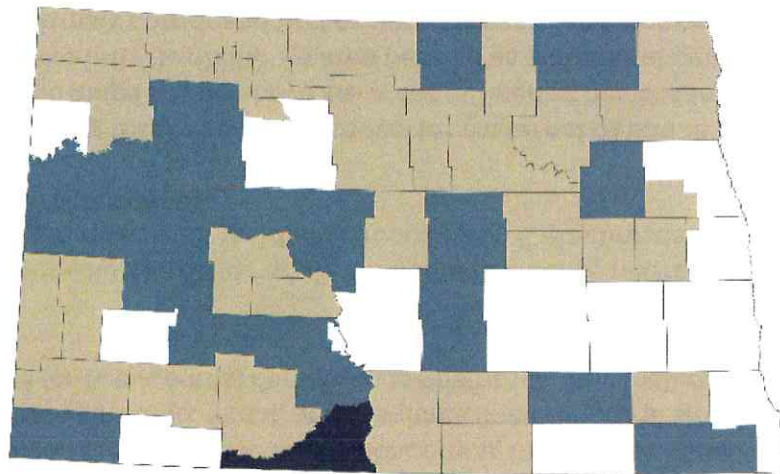
Rep. Karla Rose Hanson:

What is the status relating to OB/GYN deserts in rural North Dakota? Can you also address healthcare deserts in ND, generally speaking? Are the residents and fellows funded by the State being trained in these desert areas?

The two maps below show areas in North Dakota where there are not enough health professionals. The map on the left is for primary care providers, and the map on the right is for maternity care providers. These areas are known as "healthcare deserts." Maternity care deserts are specific regions within primary care deserts that lack enough maternity care professionals.

Both maps use darker colors to represent areas with a higher need for health professionals. In North Dakota, over 70% of counties are considered maternity care deserts, which is higher compared to the national average of 32.6%.

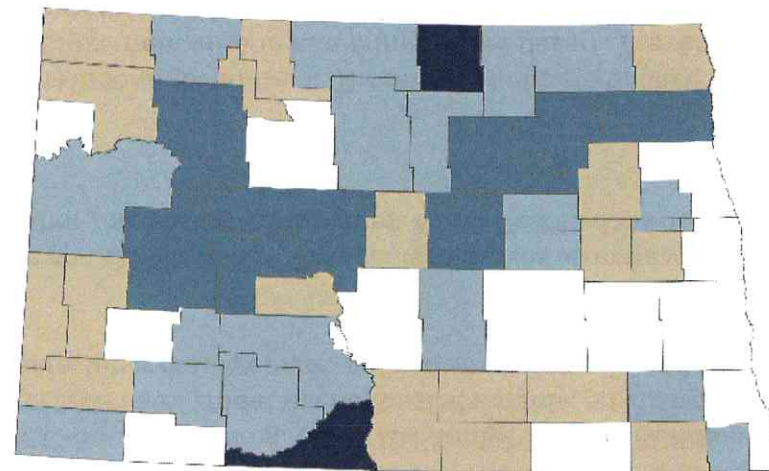
North Dakota Primary Care Health Professional Shortage Areas, March 2025



Not Designated 1-13 14-17 18-20

Source: eHealthRSA.org
Assessed on 3/12/25

North Dakota Maternal Care Target Area Scores, March 2025



Not Designated 9-11 12-14 15-19 20-25

Source: eHealthRSA.org
Assessed on 3/16/25

Rep. Mike Nathe:

How does the proposed 5% tuition increase compare nationally?

UND's proposed 5% tuition increase is higher than the regional average increase of 3.9% for AY 2024-25. However, UND's in-state tuition (\$10,975) remains within the regional range (\$7,258–\$14,117) reported by WICHE. We do not have information about other proposed increases for 2025-26 to make a true comparison to other regional schools.

Table 9a. Undergraduate Tuition and Fees by Carnegie Classification, WICHE Averages

Public Four-Year Institutions, 2014-15 to 2024-25

	Resident							Nonresident						
	Average Tuition & Fees				Percent Change			Average Tuition & Fees				Percent Change		
	2024-25	2023-24	2019-20	2014-15	1-Year	5-Year	10-Year	2024-25	2023-24	2019-20	2014-15	1-Year	5-Year	10-Year
RESEARCH	\$11,715	\$11,313	\$10,276	\$9,097	3.6%	14.0%	28.8%	\$32,548	\$31,351	\$28,483	\$24,414	3.8%	14.3%	33.3%
Highest Research Activity	\$13,476	\$13,008	\$11,719	\$10,556	3.6%	15.0%	27.7%	\$39,287	\$37,753	\$33,769	\$28,827	4.1%	16.3%	36.3%
Higher Research Activity	\$9,627	\$9,289	\$8,553	\$7,299	3.6%	12.6%	31.9%	\$24,710	\$23,879	\$22,351	\$18,982	3.5%	10.6%	30.2%
Moderate Research Activity	\$9,869	\$9,683	\$8,890	\$7,385	1.9%	11.0%	33.6%	\$23,888	\$23,369	\$21,499	\$19,157	2.2%	11.1%	24.7%
BACCALAUREATE/MASTER'S	\$8,735	\$8,480	\$7,844	\$6,696	3.0%	11.4%	30.5%	\$21,545	\$21,135	\$19,887	\$16,676	1.9%	8.3%	29.2%
Larger Master's Programs	\$8,927	\$8,583	\$7,963	\$6,820	4.0%	12.1%	30.9%	\$23,331	\$22,447	\$21,168	\$17,734	3.9%	10.2%	31.6%
Medium Master's Programs	\$9,377	\$9,195	\$8,586	\$7,391	2.0%	9.2%	26.9%	\$19,687	\$19,213	\$19,031	\$15,559	2.5%	3.4%	26.5%
Smaller Master's Programs	\$8,961	\$8,706	\$8,211	\$6,982	2.9%	9.1%	28.4%	\$20,282	\$19,653	\$18,423	\$15,443	3.2%	10.1%	31.3%
Baccalaureate Colleges	\$6,946	\$6,830	\$6,180	\$5,336	1.7%	12.4%	30.2%	\$16,630	\$17,058	\$15,535	\$13,663	-2.5%	7.0%	21.7%

Rep. David Richter:

What is your annual scholarship awards breakdown?

All institutional scholarships listed below in yellow include alumni-funded scholarships. The majority of those dollars are alumni-based funding. They are coded institutional as students apply through UND channels to obtain.

Breakdown of Scholarships:

Career	Finaid Type	Institutional	Other Source	Private External Funds	State Scholarships	Grand Total
GRAD	Scholarship	\$ 1,386,374.2		\$ 1,168,217.8	\$ 95,124.0	\$ 2,649,715.9
LAW	Scholarship	\$ 257,346.0		\$ 114,878.6	\$ 23,372.0	\$ 395,596.6
MEDS	Scholarship	\$ 573,602.2	\$ 168,516.0	\$ 420,977.9	\$ 24,992.0	\$ 1,188,088.1
UGRD	Scholarship	\$13,026,215.30		\$ 4,053,432.4	\$ 2,358,034.0	\$19,437,681.7

Graduate Nursing Programs at UND and enrollments:

PNP-Family Nurse Practitioner: 233

PMHNP-Psychiatric Mental Health Nurse Practitioner: 69

CRNA- Certified Registered Nurse Anesthetist: 68

DNP- Doctor of Nursing Practice degree: 12

PhD- This is the PhD in Nursing program: 10

AGACNP-Adult Gerontology Acute Care Nurse Practitioner (post-master's certificate): This is just getting started and we should enroll for the first time this fall.

How many Nursing students could UND add with the proposed addition?

With the new addition to the UND School of Medicine and Health Sciences building, UND would seek approval to increase student numbers to 80 per cohort (currently there are 64 students per cohort). **If granted, UND could add 32 more students total -- 16 students in the fall and 16 in the spring and bring the total of BSN students to 320.** UND typically enrolls in groups of 8. UND uses a 1 faculty member : 8 students ratio for accreditation. For example, if we admit 64 students to a cohort, we run 8 clinical groups of 8 students. If we are able to increase our cohort sizes, we would most likely see an increase in pre-nursing students. We are also currently exploring other ideas to grow in a tight space. Any increase in cohort size must be approved by the ND Board of Nursing. We are currently approved for cohorts of 72.

Rep. Bob Martinson:***The Legislature froze tuition in the 68th Legislative Assembly. Show the numbers of how the expenses increased.***

In the prior biennium, UND requested 7.5%/\$11.2M in inflationary increases which was not funded. There were several expenses still incurred as listed.

1. The general utility budget increased by \$3.4M for the 23-25 biennium.
2. Building insurance premiums increased by almost \$1M for the 23-25 biennium.
3. UND budgeted an additional \$0.75M towards the deferred maintenance pool for the biennium (compared to the \$2M+ planned amount that would have been allocated with inflationary funding).

Additional inflationary pressures within units had to be covered by the departments with one-time dollars or reallocating/reducing other expenses.

Other Considerations:

As you know, Higher Education is different than other state agencies as Higher Education does not need to ask for approval for new FTEs but are expected to do our standard reporting based on the current SB 2003 language below:

26 **SECTION 34. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.**

27 Notwithstanding any other provisions of law, the state board of higher education may adjust
28 full-time equivalent positions as needed, subject to the availability of funds, for institutions and
29 entities under its control during the biennium beginning July 1, 2025, and ending June 30, 2027.
30 The North Dakota university system shall report any adjustments to the office of management
31 and budget as part of the submission of the 2027-29 biennium budget request.

The North Dakota University System (NDUS) is not allocated a specific number of FTEs due the nature of our funding. Instead, institutions have flexibility on FTEs subject to the availability of funds. UND has sufficient funds for the increase in FTEs.

Rep. Bob Martinson:

How many students does UND have now in its Nursing Program? How many could UND add with the proposed addition?

Currently UND has 234 students enrolled in the Traditional/On-campus BSN program. The most recently admitted cohorts are full at 64/cohort. Currently UND admits 64 students twice a year. UND also has 328 pre-nursing students enrolled at UND (freshmen and sophomores).

The RN-BSN program admits registered nurses who already hold an associate's degree in nursing from a community college. Currently, UND has 24 students who take courses online. That program is offered online because those students do not typically need hospital-based clinical experiences and it means students don't have to leave their communities where they live and are employed to pursue their continued education.

UND has filled needs in many areas. For example, the Legislature provided funding which was used for positions in behavioral and mental health, and UND has added new academic opportunities such as national security, aerospace engineering, and expended areas such as journalism, to name a few.

You will note that even at our current level of 2,191.95 FTEs, UND is still below the 2015 actual FTE total of 2,452.67 by 260.72 FTEs. We believe this is a good news story about UND as a thriving and growing institution that is run more efficiently today than ten years ago.

UND analyzed the student headcount and credit hour production per staff FTE from 2015 to today.

	2015-2017	2025-27 Base Budget Request
UND Excluding SMHS		
Fall Headcount (HCT) Enrollment (avg of 2 years in biennium)	13,317	13,699
Student HCT/Employee FTE	5.43	6.25
Fall Student Credit Hours (SCH) (avg of 2 years in biennium)	159,060	151,207
Student SCH/Employee FTE	64.85	68.98

As you can see from the table above, UND is serving more students per employee headcount and per SCH today than they were in 2015. In addition, our research expenditures have grown over 153% since 2015. Below is a summary showing research expenditures per employee FTE.

	2015-2017	2025-27 Base Budget Request	
UND Excluding SMHS			
Research Expenditures (HERD - Sum of 2 years)	130,829,734	331,591,300	153%
Research Expenditure per FTE	53,342	151,277	

As you can see above, our research expenditures have increased threefold per employee FTE.

Additionally, UND has done a phenomenal job in diversifying the funding of employee FTE. As of 6/30/2024, only 20% of our FTEs are funded by the state general fund. The remaining 80% of FTEs are funded through tuition, grants, and other funds.

**RESPONSES FROM THE UNIVERSITY OF NORTH DAKOTA TO QUESTIONS FROM
MEMBERS OF THE HOUSE APPROPRIATIONS EDUCATION AND ENVIRONMENT DIVISION**

Rep. Bob Martinson:

Describe reason for increase in FTEs at UND.

There may be some confusion about the number of FTEs reported by UND. Of the 131.1 FTEs, 80 are funded through General Funds and 51.1 FTEs funded through other sources (local funds, grants, etc.). Most of the FTEs are currently filled and are not new vacant positions.

Starting in 2016, UND made significant cuts in FTEs related to the allotment, as demonstrated by the numbers below (which exclude FTEs for the UND School of Medicine and Health Sciences (SMHS). These numbers come from the ND Comprehensive Annual Financial Report (CAFR Report):

2015 FTE – Per ND Comprehensive Annual Financial Report (CAFR Report) – 2,452.67

2015-17 – only reported appropriated FTE prior to the 2017-19 biennium

2017-19 – 2,218.07

2019-21 – 2,132.17

2021-23 – 2,059.98

2023-25 – 2,060.56

2025-27 – 2,191.95 (requested)

Before the allotment, UND (excluding SMHS) had 2,452.67 FTEs (as of 6/30/15). UND took immediate action during fiscal year 2016 because of the allotment and reduced FTEs as of 6/30/16 to 2,191.46. That is a **net reduction** of 261.21 FTEs. UND continued to reduce over the next two biennia, including significant reductions in staffing in 2021 because of the COVID pandemic, with the lowest FTEs since 2015 of 1,919.59 on 6/30/2021 for a total **overall reduction** of 533.08 FTEs.

As you know, UND has experienced great success across the board through the last four years, and as a result has reinvested in staff and faculty to match that success and to serve our students. UND has seen dramatic growth in both enrollment numbers (this past Fall UND had its third highest-ever enrollment: 15,019 students) and total research expenditures (in FY24 UND recorded its highest-ever research expenditures, \$197M in FY24, compared to \$111M in FY20).