HIGHER EDUCATION INSTITUTIONS COMMITTEE

The committee was assigned the following responsibilities by the Legislative Management:

- Study the institutions of higher education under the control of the State Board of Higher Education (SBHE), including efficiency and collaboration among state institutions, dual credit, the feasibility and desirability of a system of uniform transcripts and the waiver of fees to transfer credits within the state higher education system, the feasibility and desirability of consolidating colleges and universities and implementing satellite campuses of universities, competitiveness among state institutions, and analysis of the quality of education provided at each state institution.
- Receive an annual comprehensive report from the SBHE regarding grants awarded from the Economic Diversification Research Fund, pursuant to North Dakota Century Code Section 6-09-53. The report must include information on how the research efforts by each institution align with the state's priorities, how the institutions collaborate when appropriate, and how the outcomes of the research meet established performance expectations. The SBHE is required to develop reporting requirements for the institutions under the control of the board, including criteria for assessing performance outcomes related to grants awarded from the fund.
- Receive a report from the SBHE by September 1 of each even-numbered year regarding the Skilled Workforce Student Loan Repayment Program and the Skilled Workforce Scholarship Program pursuant to Sections 15-10-38.1 and 15-10-38.2.
- Receive an annual report from the SBHE regarding the number of North Dakota scholarships, academic scholarships, and career and technical education (CTE) scholarships provided and demographic information pertaining to the recipients, pursuant to Section 15-10-59.
- Receive a report from the Commissioner of Higher Education on SBHE policies regarding communications between board members and board member access to current and historic board information, pursuant to Section 15-10-66.
- Receive an annual report from the Commissioner of Higher Education regarding trends in higher education, including state and regional student enrollment, North Dakota University System institution reserves, state and regional tuition rates, state and regional student financial assistance, and the University System's response to the trends and changes, including new or expanded educational programs, closed programs, and future budget requests, pursuant to Section 15-10-71.
- Receive a biennial program report from the SBHE by September 1 of each even-numbered year regarding awards under the Workforce Education Innovation Program, pursuant to Section 15-10-75. The report must include information per educational institution regarding the number, amount, and type of awards; the name of each educational program created, enhanced, or promoted; the amount and percentage of funds used for leadership and coordination costs; and detailed expense reports, including the type of equipment and technology purchased and the number of instructors hired or trained.
- Receive a biennial report and recommendations from the University of North Dakota (UND) School of Medicine and Health Sciences (SMHS) Advisory Council regarding the strategic plan, programs, and facilities of the school, pursuant to Section 15-52-04.
- Receive a report from any tribally controlled community college receiving a grant under Chapter 15-70 detailing the expenditures of the grant funds, a copy of the institution's latest audit report, and documentation of the enrollment status of students, pursuant to Section 15-70-05.
- Receive an annual report from the North Dakota State University (NDSU) Research and Technology Park regarding all research activities, product development, and accomplishments pursuant to Section 54-17-43.
- Receive an annual report from UND pursuant to Section 44 of Senate Bill 2003 (2025) regarding strategies under consideration and implemented to increase resident medical student enrollment in SMHS and the Physician Assistant Program.
- Receive a report from the Association of Colleges for Teacher Education pursuant to Section 47 of Senate Bill 2003 regarding a study of the Praxis Core testing performance of student teachers who used grades and exams to demonstrate reading, writing, and mathematics competencies.
- Receive reports from the SBHE pursuant to Section 48 of Senate Bill 2003, regarding the costs and benefits of a system of higher education led by a chancellor compared to a commissioner and the hiring process for the Commissioner of Higher Education position.

Committee members were Senators Jonathan Sickler (Chairman), Robert Erbele, Scott Meyer, and Mike Wobbema; Representatives Landon Bahl, LaurieBeth Hager, Bob Martinson, and Mark Sanford; and Citizen Members Kelby Azure, Kevin Black, Ann Ellefson, Genevieve Goven, Sarah Hall Ganje, Brent Lohnes, Brent Sanford, and Terri Zimmerman.

Senator Josh Boschee served on the committee until his resignation from the Legislative Assembly on August 4, 2026. Citizen Member Maxwell Eriksrud served on the committee until his term on the SBHE ended.

BACKGROUND

The University System consists of 11 higher education institutions under the control of the SBHE. Of the 11 institutions, 2 are doctoral-granting institutions; 3 are master's-granting institutions; 1 is a dual-mission institution offering master's, bachelor's, and technical degrees; 1 is a polytechnic institution offering bachelor's, associate's, and technical degrees; and 4 are colleges that offer associate's and technical degrees. In addition, the North Dakota Forest Service is administratively under NDSU.

The University System reported fall 2025 total headcount enrollment of 47,522 students and a total full-time equivalent (FTE) enrollment of 36,148 students, compared to fall 2024 headcount enrollment of 45,806 students and FTE enrollment of 34,781 students.

Legislative Appropriations

Legislative appropriations for the 2025-27 biennium for higher education institutions, the Forest Service, and the University System office total $3,382,028,053, of which $884,921,221 is from the General Fund. The following is a history of legislative appropriations for higher education since the 2017-19 biennium:

Biennium	General Fund	Special Funds	Total
2017-19	$679,438,630	$2,059,950,275	$2,739,388,905
2019-21	$660,517,805	$2,400,897,468	$3,061,415,273
2021-23	$703,453,294	$2,117,621,160	$2,821,074,454
2023-25	$868,522,227	$2,450,467,042	$3,318,989,269
2025-27	$884,921,221	$2,497,106,832	$3,382,028,053

The following is a summary of ongoing and one-time General Fund appropriations for the University System since the 2017-19 biennium:

General Fund Appropriations			
Biennium	Ongoing Appropriations	One-Time Appropriations	Total
2017-19	$613,242,154	$66,196,476	$679,438,630
2019-21	$648,667,805	$11,850,000	$660,517,805
2021-23	$686,328,526	$17,124,768	$703,453,294
2023-25	$811,682,526	$56,839,701	$868,522,227
2025-27	$871,471,221	$13,450,000	$884,921,221

HIGHER EDUCATION INSTITUTIONS STUDY

Senate Bill 2242 (2025) provided for the Legislative Management to establish the committee to study the institutions of higher education under the control of the SBHE. The bill provided the study must include:

1. Methods to promote efficiency and collaboration among state institutions;
2. Consideration of statewide dual-credit expansion to develop standard 3-year bachelor's degree programs;
3. An analysis of the cost of tuition and fees for students;
4. Consideration of the feasibility and desirability of a system of uniform transcripts and the waiver of fees to transfer credits within the state higher education system;
5. Consideration of the feasibility and desirability of consolidating colleges and universities and implementing satellite campuses of universities;
6. Research on the competitiveness among state institutions; and
7. An analysis of the quality of education provided at each state institution.

Constitutional Provisions

Section 6 of Article VIII of the Constitution of North Dakota establishes the SBHE to control and administer state higher educational institutions, including:

- The state university and school of mines, at Grand Forks;
- The state agricultural college and experiment station, at Fargo;
- The school of science, at Wahpeton;
- The state normal schools and teachers colleges, at Valley City, Mayville, Minot, and Dickinson;
- The school of forestry, at Bottineau; and
- Other state institutions of higher education, as may be established.

The SBHE has constitutional authority over the institutions to prescribe, limit, or modify the courses offered and to organize the work of each institution.

Institution Collaboration

University System institutions reported multiple collaborative efforts to the Appropriations Committees during the 2025 legislative session, including:

- Dakota College at Bottineau (DCB) is an affiliate institution of Minot State University (MiSU) and operates under the administration of the MiSU President. Shared services include classroom and office space, accounting and payroll services, and human resources support.
- Valley City State University (VCSU) and DCB collaborate to offer 1-year practical nursing and 2-year associate's degree nursing programs on the VCSU campus.
- VCSU and NDSU collaborate to offer students dual degrees in human development and family science and elementary education.
- NDSU assists Mayville State University (MaSU) with payroll and employee benefits administration.
- MaSU provides nursing program administrator support to Dickinson State University to support the programs through an administrative and faculty transition.
- MaSU provides secondary education licensure programs on the Williston State College (WSC) campus.
- NDSU and UND collaborate to provide biomedical engineering graduate degrees.
- NDSU and UND also collaborate on multiple research projects.

Dual Credit

The interim Education Committee, the interim Higher Education Funding Review Committee, and the interim Higher Education Institutions Committee each were assigned a study which required a review of dual credit in the state. A dual-credit course is a one-semester college course taken through a 2- or 4-year institution of higher education for which the student earns one-half unit of high school credit. North Dakota's dual-credit program allows students in grades 10 through 12 to take college courses and receive college credit, which also may be used to meet high school graduation requirements. Tuition, fees, books, and other costs are the student's responsibility. Classes are taught by approved instructors, either face to face in the classroom, online, through the Center for Distance Education, or through an interactive video network. The Higher Learning Commission requires teachers of dual-credit courses to have a master's degree or higher in the discipline or subfield in which they will be teaching. If the individual holds a master's degree or higher in a discipline or subfield other than that in which the individual will be teaching, a minimum of 18 graduate credit-hours must be completed in the academic field in which the individual will be teaching.

State Board of Higher Education Policy 469 authorizes 9 of the 11 institutions under the board's control, excluding UND and NDSU, to offer dual credit to high school students. Before September 2025, the policy authorized UND and NDSU to offer dual credit only when the course being offered can be offered only by that institution or when either institution is required to offer dual credit to fulfill a legislative mandate. The policy was amended by the board in September 2025 to authorize NDSU to offer dual credit in Cass County and to authorize UND to offer dual credit in Grand Forks County.

The committee was informed the number of high school students in college coursework has increased from fewer than 3,000 headcount high school students for the fall 2015 semester to 6,013 headcount high school students enrolled in college coursework for the fall 2025 semester, including dual credit and early entry courses. The committee was informed dual credit and early entry students both are identified as high school students taking college courses in the University System's enrollment report, and University System institutions use different methodologies to identify dual-credit students; therefore, campuses must manually determine and report any high school students enrolled specifically in dual-credit courses.

Tuition and Fees

Representatives of the University System reported students enrolled in dual-credit courses are charged a standardized, systemwide tuition and fee rate, regardless of the University System institution from which the student is receiving the college credit. For the 2024-25 academic year, dual-credit students were charged a subsidized rate of $83.89 per credit if the course was taught by an instructor paid by the high school, or an unsubsidized rate of $148.42 per credit if the course was taught by an instructor paid by the University System institution.

Adjusted Student Credit-Hour Funding Method

Senate Bill 2200 (2013), codified as Chapter 15-18.1, adopted a higher education funding method beginning with the 2013-15 biennium based on an adjusted student credit-hour calculation. The calculation involves multiplying a base amount per student credit-hour by an adjusted student credit-hour calculation for each institution. The resulting equalized base budget is adjusted for inflation to determine total funding for an institution.

University System institutions receive funding through the higher education funding formula for student credit-hours completed by dual-credit students at the same level as the institution would receive for credit-hours completed by traditional students. Representatives of the University System reported 82,842 student credit-hours completed by high school students from the 2021-23 biennium were included in the funding formula calculation for the 2025-27 biennium appropriation. These credit-hours totaled approximately 4 percent of total credit-hours completed during the 2021-23 biennium and resulted in $13.9 million, or 2 percent, of funding determined under the formula. Representatives of the University System reported 114,474 student credit-hours completed by high school students during the 2023-25 biennium (5.9 percent) will be included in the funding formula calculation for the 2027-29 biennium, accounting for approximately $19 million, or 2.7 percent of the formula calculation systemwide.

The University System reported that because of varying funding rates and the funding formula's credit completion factor, state aid for the 2025-27 biennium relating to dual credit varied from $131.90 per credit-hour at Bismarck State College to $215.84 per credit-hour at DCB. The committee was informed tuition and funding formula revenue exceeded direct costs relating to subsidized dual credit by over $180 per credit systemwide during the 2024-25 academic year.

Committee Recommendation

The committee recommends the Legislative Assembly implement a flat rate to determine state aid for subsidized dual-credit student credits completed. This recommendation also was presented to the interim Higher Education Funding Review Committee for its consideration.

Tuition and Fees

Section 15-10-17 authorizes the SBHE to set tuition and fees. The SBHE defines tuition as the basic charge assessed enrolled students, on a per credit-hour basis or at a flat rate assessed at either 12 or 13 semester hours, for classes or programs for which students earn academic credit that may be applied toward a degree. Tuition may be assessed in differential tuition tiers that differ by academic program or course subject based on programmatic needs. Institutions also may charge varying tuition rates based on student residency and the course delivery method. Section 15-10-19.1 defines a resident student for tuition purposes generally as an individual who is a legal resident of the state and has resided in the state for 12 months immediately before the beginning of the academic term. In its 2025-26 annual budget report, the University System reported estimated tuition and fee income for the fiscal year to be $475.6 million. The following schedule identifies resident undergraduate tuition rates by institution:

Institution	2024-25 Academic Year	2025-26 Academic Year	2026-27 Academic Year
Bismarck State College	$5,209	$5,522	$5,853
Dakota College at Bottineau	$4,530	$4,584	$4,791
Dickinson State University	$7,470	$7,770	$8,081
Lake Region State College	$4,249	$4,504	$4,684
Mayville State University	$6,517	$6,875	$7,081
Minot State University	$7,168	$7,597	$7,977
North Dakota State College of Science	$4,683	$4,870	$5,065
North Dakota State University	$9,309	$9,868	$10,460
University of North Dakota	$9,237	$9,791	$10,379
Valley City State University	$6,619	$6,983	$7,402
Williston State College	$4,138	$4,386	$4,649

The Legislative Assembly appropriated funding to freeze resident undergraduate tuition rates for the 2023-25 biennium at the 2022-23 academic year level, but did not provide any limitations on tuition rate increases for the 2025-27 biennium. Multiple campuses increased tuition rates by 6 percent per year during the 2025-27 biennium.

The University System noted tuition and fees for resident undergraduate students as a percentage of median household income is as follows:

	2022-23 Academic Year	2023-24 Academic Year	2024-25 Academic Year	2025-26 Academic Year
Doctoral institutions				
North Dakota average	12.1%	11.1%	10.6%	11.2%
Regional average	12.2%	11.8%	11.6%	11.4%
4-year institutions				
North Dakota average	9.5%	8.7%	8.2%	8.6%
Regional average	9.7%	9.3%	9.1%	8.8%
2-year institutions				
North Dakota average	6.3%	5.8%	5.5%	5.9%
Regional average	5.3%	5.1%	5.0%	4.8%

The University System reported average public institution student loan debt incurred per year as follows:

	2021-22 Academic Year	2022-23 Academic Year	2023-24 Academic Year	2024-25 Academic Year
North Dakota average	$5,829	$6,025	$6,077	$6,155
National average	$6,535	$6,665	$6,794	$7,146

Transcripts and Credit Transfers

State Board of Higher Education Policy 412 directs institutions to establish and publish policies and procedures for the transfer of credits. The policy directs University System institutions to accept college- and university-level courses from institutions accredited by an organization recognized by the United States Department of Education and to recognize common general education programs and courses. Board Policy 460 provides for common course numbering among University System institutions and directs the institutions to recognize common general education programs and courses that are outlined within a general education requirement transfer agreement maintained by the University System's Director of Academic Affairs. University System Procedure 460.3 provides additional guidance regarding common course numbering, including course numbers, officially authorized titles, and generic course descriptions.

The University System reported North Dakota is regarded nationally as a system with student-friendly credit transfer procedures, but the transferability involves considerable effort by staff across the system to ensure common course numbering and descriptions among the campuses. The University System anticipates requesting an appropriation of $120,000 of ongoing funding from the 2027 Legislative Assembly to implement a new information technology system to assist with the transfer of credits among institutions.

Campus Consolidation

Dakota College at Bottineau is an affiliate institution of MiSU and operates under the administration of the MiSU President. The committee was informed shared services include classroom and office space, accounting and payroll services, and human resources support. Dakota College at Bottineau previously was a branch campus of NDSU, and WSC and Lake Region State College, now operating as independent institutions, previously were branch campuses of UND.

In addition, the SBHE voted in December 1992 in favor of joint administration of MaSU and VCSU, with geographical proximity, budget constraints, and increased political stability cited as considerations for the change; however, the SBHE voted in 2002 to provide for separate administration of the two universities following the advice of consultants.

Education Quality

Section 15-18.1-05 provides all postsecondary educational institutions with a physical presence in the state must be accredited, have a federal financial responsibility composite score greater than 1.5, and provide students with institutional public disclosures as defined by the SBHE. Accredited is defined as approved by an accrediting body recognized by the United States Department of Education. All 11 institutions under the control of SBHE are accredited by the Higher Learning Commission, an independent agency founded in 1895 to accredit degree-granting colleges and universities in the United States.

Committee Conclusion

The committee made no recommendation regarding the consolidation of higher education institutions.

ECONOMIC DIVERSIFICATION RESEARCH FUND

The Legislative Assembly approved House Bill 1003 (2023) which established the Economic Diversification Research Fund and provided for a transfer of $5.5 million from the Strategic Investment and Improvements Fund (SIIF) to the Economic Diversification Research Fund. The Bank of North Dakota may award grants from the fund to institutions under the control of the SBHE for economic diversification research. The sum of $5 million must be awarded to NDSU and UND with equal amounts awarded to each institution. The remaining funding must be awarded to the other institutions under the control of the SBHE, as determined by the board.

Section 6-09-53 provides for SBHE to provide an annual comprehensive report regarding grants awarded from the Economic Diversification Research Fund. The report must include information on how the research efforts by each institution align with the state's priorities, how the institutions collaborate when appropriate, and how the outcomes of the research meet established performance expectations. The board is required to develop reporting requirements for the institutions under the control of the board, including criteria for assessing performance outcomes related to grants awarded from the fund.

The University System reported funding was used during the 2023-25 biennium for experiential learning, innovation of new technology, to enhance health care outcomes, and to promote job creation and wage growth. The 2025 Legislative Assembly did not provide funding for the fund for the 2025-27 biennium. The University System reported it would support proposals to provide funding for the fund for the 2027-29 biennium.

SKILLED WORKFORCE STUDENT LOAN REPAYMENT AND SCHOLARSHIP PROGRAMS

The 2019 Legislative Assembly enacted legislation, codified as Sections 15-10-38.1, 15-10-38.2, and 15-10-38.3, to create the Skilled Workforce Student Loan Repayment and Scholarship Programs. The programs were created to assist businesses in attracting and retaining talent in high-demand and emerging occupations. Known collectively as the Career Builders Programs, the workforce development programs have two components: scholarships for students enrolled in qualifying programs and student loan repayment for employees in the state who graduated from qualifying programs. The 2021 Legislative Assembly transferred $4.5 million from Bank of North Dakota profits to the special funds created for the Career Builders Programs. The 2023 Legislative Assembly transferred $6.8 million from Bank profits to the special funds created for the Career Builders Programs. The 2025 Legislative Assembly authorized unspent funds for the programs, approximately $8.6 million, to be continued into the 2025-27 biennium.

Sections 15-10-38.1 and 15-10-38.2 require the SBHE to provide a biennial program report regarding the Skilled Workforce Student Loan Repayment and Scholarship Programs to the Legislative Management by September 1 of each even-numbered year.

Representatives of the University System reported that since inception:

- Career Builders scholarships were awarded to 662 applicants, with an average award of $10,392.
- A total of $5.6 million in scholarships was disbursed through the program as of August 2026.
- Matching funds for the scholarships were received from 186 donors.
- 311 scholarship recipients graduated and are working in the state, 148 are active in the program, and 80 defaulted.
- Career Builders loan repayment was awarded to 306 applicants, with an average award of $13,151.
- A total of $2.7 million in loan repayments was disbursed through the program as of August 2026.
- Matching funds for the loan repayments were received from 71 donors.
- 153 loan repayment recipients remain employed, 94 have been paid in full, and 59 did not continue employment.

Representatives of the University System suggested the Legislative Assembly consider certain technical corrections to the Career Builders Programs, including ensuring consistent eligibility for individuals living within 50 miles of the state and working in the state, and allowing funding continued from prior bienniums to be used for promotion and administration of the programs. Committee members noted the programs address workforce needs and promotional efforts of the programs should be expanded.

Committee Recommendation

The committee recommends a bill draft [27.0178.02000] to amend statutory provisions relating to the Skilled Workforce Student Loan Repayment and Scholarship Programs to make technical corrections, including ensuring consistent eligibility for individuals living within 50 miles of the state and working in the state and allowing funding continued from prior bienniums to be used for promotion and administration of the programs.

CAREER AND TECHNICAL EDUCATION AND ACADEMIC SCHOLARSHIPS

The 2009 Legislative Assembly created the Academic and CTE Scholarship Programs. Eligibility criteria for the scholarship programs, which are in Chapter 15.1-21, were adjusted by the Legislative Assembly in 2011, 2013, 2015, 2017, 2019, and 2021. Senate Bill 2289 (2021) created a new scholarship titled the North Dakota Scholarship Program and provided for the transition of Academic and CTE Scholarship Programs recipients to the new North Dakota Scholarship Program.

Any student who meets the requirements for a North Dakota Scholarship, CTE Scholarship, or an Academic Scholarship is eligible to receive a scholarship of $750 per semester, or $500 per quarter, for each period the student is enrolled full-time at a North Dakota higher education institution and maintains eligibility up to a maximum amount of $6,000. Scholarships may be provided to students for up to 6 years following the student's graduation from high school. A student may continue to receive a scholarship if the student is enrolled in a graduate program and has not received the lifetime maximum amount of scholarship awards.

The committee reviewed the following summary of funding appropriated for the North Dakota Scholarship and the Academic and CTE Scholarship Programs:

Biennium	General Fund
2013-15	$10,000,000
2015-17	$13,134,096
2017-19	$12,016,749
2019-21	$12,016,749
2021-23	$16,216,749
2023-25	$17,216,749
2025-27	$17,216,749

Section 15-10-59 requires the SBHE to provide an annual report to the Legislative Management regarding the number of North Dakota Scholarships and Academic and CTE Scholarships awarded and demographic information pertaining to the recipients.

The University System reported that of the 8,749 high school seniors in the state who graduated in 2026, a total of 1,761, or 20 percent, qualified to receive a North Dakota Scholarship, Academic Scholarship, or CTE Scholarship. Since the program began in 2010, there have been 137,827 high school seniors in the state and 28,911, or 21 percent, of those seniors were estimated to be eligible to receive these scholarships. The University System reported estimated expenses for the 2025-27 biennium of $15.2 million.

BOARD MEMBER ACCESS TO HISTORIC INFORMATION

The Legislative Assembly approved Senate Bill 2343 (2023) to require the SBHE to establish a policy ensuring transparent communication between members of the board on all topics relating to the specific powers and duties of the board. Section 3 of the bill provides the University System and the SBHE may not deny a member of the governing body access to a record that is closed or confidential, as defined in Chapter 44-04, including a meeting record, whether written or recorded, unless otherwise prohibited by law. Section 15-10-66 requires the Commissioner of Higher Education to report to the Legislative Management on SBHE policies regarding communications between board members and board member access to current and historic board information.

The University System reported SBHE Policy 100.6, regarding the authority and responsibilities of the board, Commissioner of Higher Education, and institution presidents, ensures board member access to current and historic board information and communications.

HIGHER EDUCATION TRENDS

Section 15-10-71 requires the Commissioner of Higher Education to provide an annual report to the Legislative Management regarding trends in higher education, including state and regional student enrollment, University System institution reserves, state and regional tuition rates, state and regional student financial assistance, and the University System's response to the trends and changes, including new or expanded educational programs, closed programs, and future budget requests.

The Commissioner of Higher Education reported higher education trends to the committee on October 28, 2025, and September 22, 2026. The reports indicated:

- National higher education enrollment peaked in 2011 with 20.9 million students and decreased to 18.5 million students in 2022.
- Undesignated institution reserves ranged from $566,510 at DCB to $12,400,489 at NDSU.
- University System institutions have not experienced a significant negative impact on student enrollment from Minnesota in response to Minnesota's implementation of the North Star Promise Program, a student financial assistance program targeting families earning less than $80,000 per year.
- The University System terminated 38 academic programs in 2026, including multiple degrees and certificates in foreign languages and other liberal arts programs.

WORKFORCE EDUCATION INNOVATION PROGRAM

The Legislative Assembly approved House Bill 1241 (2023) which established the Workforce Education Innovation Program to create or enhance educational programs that address the workforce needs of North Dakota business and industry. Although no funding was appropriated for this program for the 2023-25 biennium, the 2025 Legislative Assembly appropriated $10 million from SIIF for the program for the 2025-27 biennium. Section 15-10-75 requires the SBHE to report by September 1 of each even-numbered year regarding awards under the Workforce Education Innovation Program. The report must include information by institution regarding the number, amount, and type of awards; the name of each educational program created, enhanced, or promoted; the amount and percentage of funds used for leadership and coordination costs; and detailed expense reports, including the type of equipment and technology purchased and the number of instructors hired or trained.

The University System reported funding was allocated to expand nursing programs, establish a cybersecurity and artificial intelligence program at Dickinson State University, and establish an aviation maintenance technology program at the North Dakota State College of Science.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES ADVISORY COUNCIL

The UND SMHS Advisory Council consists of 16 members, including a majority party member and minority party member from both the Senate and House of Representatives. Other members of the advisory council are selected by the Department of Health and Human Services, the SBHE, the North Dakota Medical Association, the North Dakota Hospital Association, the Department of Veterans Affairs hospital in Fargo, the North Dakota Center for Nursing, the UND Center for Rural Health, and the Dean of SMHS.

Section 15-52-04 requires the advisory council to provide a biennial report to the Legislative Management. The report is to provide recommendations regarding the strategic plan, programs, and facilities of the school. Recommendations for implementing strategies through the school must address the health care needs of the people of the state and provide information regarding the state's health care workforce needs. Recommendations of the advisory council may address the areas of medical education and training, recruitment and retention of health care professionals, factors influencing the practice environment of health care professionals, access to health care, patient safety, quality of health care, and financial challenges in the delivery of health care.

The committee was informed in September 2026 that the report was being drafted and changes to the report structure are being made to ensure the report is understandable and more adequately meets the needs of decisionmakers.

GRANTS TO TRIBALLY CONTROLLED COMMUNITY COLLEGES

Chapter 15-70 creates an assistance program for tribally controlled community colleges located in the state. Funding is to be distributed to the tribally controlled community colleges to defray the costs of education associated with the enrollment of nonbeneficiary students. To qualify for a grant, a qualified institution must submit an application to the SBHE, which documents the enrollment status of each student for whom financial assistance is sought. If an application is approved, the SBHE is to distribute an annual payment to the institution for each nonbeneficiary student enrolled at the institution. The amount of payment is to be equal to the per student payment provided to institutions under the federal Tribally Controlled Colleges and Universities Assistance Act of 1978 or a prorated amount if funding is limited.

Each tribal college receiving a grant under Chapter 15-70 is required to submit a report to the Legislative Council detailing the expenditures of the grant funds received by the institution. Additionally, each college is to submit a copy of the institution's latest audit report and documentation of the enrollment status of each student for whom financial assistance is requested. Any institution that fails to meet the reporting requirements is ineligible to receive future grants until the required information is submitted.

The following table details legislative appropriations for grants to tribally controlled community colleges:

Biennium	General Fund	Student Loan Trust Fund
2013-15	$1,000,000	
2015-17	$500,000	$500,000
2017-19	$100,000	$500,000
2019-21	$1,000,000	
2021-23	$1,000,000	
2023-25	$1,400,000	
2025-27	$1,600,000	

Representatives of the University System provided a report to the committee regarding the allocation of tribal college assistance grants. The University System reported $8,538 of grant funding was awarded per FTE nonbeneficiary student during the 2025-26 academic year, which exceeded the federal student payment rate of $7,981 for beneficiary students. The committee reviewed the following schedule detailing the allocation of grant funding during the 2025-26 academic year:

Tribal College Assistance Grants - 2025-26 Academic Year			
Institution	Headcount of Nonbeneficiary Students	FTE Enrollment of Nonbeneficiary Students	Grant Funds Provided
Cankdeska Cikana Community College	34	25.8	$220,277
Nueta Hidatsa Sahnish College	27	17.5	149,413
Sitting Bull College	11	7.3	62,327
Turtle Mountain Community College	26	15.2	129,776
United Tribes Technical College	35	27.9	238,207
Total	133	93.7	$800,000

NORTH DAKOTA STATE UNIVERSITY RESEARCH AND TECHNOLOGY PARK

The Legislative Assembly approved Senate Bill 2256 (2025) which appropriated $10 million from SIIF to the Industrial Commission to provide a grant to the NDSU Research and Technology Park for research and product development activities that advance autonomous mobile equipment opportunities. The bill created Section 54-17-43, which required the research technology park, known as NDeavor, to provide an annual report to the Legislative Management regarding all research activities, product development, and accomplishments.

NDeavor reported the state funding is being used to recruit staff, upgrade facilities, establish industry partnerships, develop initial prototypes, and for marketing. NDeavor seeks to create and transform research into protected, market-ready products that drive new business creation and economic growth.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES STUDENT RESIDENCY

Section 44 of Senate Bill 2003 (2025) directed UND SMHS to develop and implement student recruitment and acceptance strategies to increase the number of resident students enrolled in the Medical Doctorate and Physician Assistant Programs, with a goal for 85 percent of students enrolled in the programs to be residents of the state by the fall 2030 semester. The university is required to provide an annual report to the Legislative Management regarding strategies under consideration and implemented to increase resident enrollment in the Medical Doctorate and Physician Assistant Programs.

The committee was informed UND SMHS has established ND85, an effort to increase resident student enrollment in the institution's Medical Doctorate and Physician Assistant Programs to 85 percent. The institution has expanded student recruitment efforts statewide to reach middle school, high school, and college students through school visits, career events, and hands-on health care experiences. The institution reported the 2026 incoming classes for the Medical Doctorate and Physician Assistant Programs were each 82 percent North Dakota residents, compared to 62 percent in the 2025 incoming Medical Doctorate class and 71 percent for the 2025 incoming Physician Assistant class.

PRAXIS CORE TESTING PERFORMANCE

Section 47 of Senate Bill 2003 directed the Legislative Management to request a report during the 2025-26 interim from the Association of Colleges for Teacher Education regarding a study of the Praxis Core testing performance of student teachers who used grades and exams to demonstrate reading, writing, and mathematics competencies. The association reported early findings indicate this alternative pathway reduces barriers while maintaining expectations for candidate competency and classroom readiness.

COMMISSIONER OF HIGHER EDUCATION

Subsection 1 of Section 48 of Senate Bill 2003 directed the SBHE to study the costs and benefits of a system of higher education led by a chancellor compared to a commissioner during the 2025-26 interim and to report its findings and recommendations, including any legislation required to implement the recommendations, to the Legislative Management by May 31, 2026.

Subsection 2 of Section 48 of the bill provided legislative intent that the SBHE appoint a Commissioner of Higher Education in compliance with Chapter 15-10 and Subsection 7 of Section 6 of Article VIII of the Constitution of North Dakota and recognize the importance of hiring an individual for the position in an efficient and timely manner. Subsection 3 of Section 48 of the bill directed the SBHE to provide a report to the Legislative Management by October 15, 2025, regarding the hiring process for the Commissioner of Higher Education position, including detail regarding the cause or reasoning behind any delays in the hiring process.

The SBHE reported the Constitution of North Dakota provides for a Commissioner of Higher Education and it is important to have the position filled in an efficient and effective manner. The Commissioner of Higher Education position was filled on September 23, 2025. Representatives of the SBHE noted commissioner and chancellor are titles for the same role in the University System; therefore, both would generate the same costs and benefits.

OTHER COMMITTEE WORK

The committee also received information regarding the North Dakota Governor's School, tuition waivers, and other student financial assistance programs administered by the University System office.

North Dakota Governor's School

The Governor's School alternates annually on the campuses of UND and NDSU and provides programs related to science, technology, engineering, mathematics, energy law, mental health, education, and health sciences. A typical day in the program for the participating scholars includes 6 hours of classroom time, hands-on learning activities, research laboratories, field trips, and projects. The Governor's School receives its funding through the Department of Public Instruction, and $5,000 is available per scholar, for up to 50 scholars for each institution. Funding may be used for defraying expenses for students while on campus, including housing, dining, resident assistants, program directors, instructors, and faculty research sponsors.

Representatives of the Governor's School requested increased flexibility in the program pathways to allow institutions to build on their strengths, provide transformative hands-on learning experiences, establish community connections, and develop the North Dakota workforce.

Recommendation

The committee recommends a bill draft [27.0178.02000] to statutorily establish the Governor's School with more flexibility relating to eligible expenditures and program pathways. The bill draft also provides legislative intent that the Superintendent of Public Instruction continue to include $500,000 per biennium for the Governor's School in the Department of Public Instruction budget request.

Tuition Waivers

A tuition waiver is a form of student financial assistance that cancels all or part of a student's tuition charges at a college or university. Unlike scholarships, waivers represent a reduction in the tuition charged to the student, rather than the payment of tuition from donations or other institutional funds. While certain tuition waivers are statutorily required, including partial waivers for National Guard members and law enforcement officers, others are required by SBHE policy or are at the discretion of the college or university. Discretionary waivers may include tuition waivers for athletics, academic merit, graduate assistants, cultural diversity, and other purposes. The University System reported statutory waivers totaled $3.1 million (7.8 percent), SBHE required waivers totaled $4.6 million (11.5 percent), and discretionary waivers totaled $32.0 million (80.7 percent) for the 2024-25 academic year. The committee was informed tuition waiver percentages by institution for the 2024-25 academic year were as follows:

Institution	Tuition Waived	Students With Waiver
Bismarck State College	6.15%	11.81%
Dakota College at Bottineau	7.98%	9.86%
Lake Region State College	11.54%	12.93%
North Dakota State College of Science	5.77%	25.98%
Williston State College	4.19%	2.76%
Dickinson State University	20.59%	57.74%
Mayville State University	10.86%	33.30%
Minot State University	12.07%	30.36%
Valley City State University	11.25%	30.07%
North Dakota State University	15.46%	46.63%
University of North Dakota	8.11%	12.72%
Total	10.97%	26.62%

The committee received information from the State Auditor regarding audit findings relating to tuition waivers dating back to fiscal year 2010, and from an in-depth performance audit of tuition waivers completed in 2015. The State Auditor informed the committee of recent findings related to tuition waivers at WSC and VCSU, including a lack of procedures and an appropriate approval process for waivers awarded.

Student Financial Assistance Grants

The Legislative Assembly provided $30,917,306 from the General Fund for student financial assistance grants for the 2025-27 biennium. The maximum grant award amount under the program is $1,375 per semester. To qualify, a student must be a resident undergraduate student who has graduated from a North Dakota high school and is attending a qualified postsecondary institution in North Dakota. The award of grants is based on student need. The committee reviewed the following summary of funding for student financial assistance grants:

Biennium	Maximum Annual Grant Award	General Fund Appropriation
2013-15	$1,650	$21,245,679
2015-17	$1,950	$23,886,160
2017-19	$1,950	$21,917,306
2019-21	$2,200	$23,917,306
2021-23	$2,200	$23,917,306
2023-25	$2,750	$29,917,306
2025-27	$2,750	$30,917,306

In addition, the Legislative Assembly appropriated $7 million from the General Fund for the newly established Supplemental Student Financial Assistance Grant Program for the 2025-27 biennium to pay the full cost of tuition for students with family incomes of $80,000 or less.

A representative of the University System informed the committee the actual costs of the Supplemental Student Financial Assistance Grant Program have been less than anticipated to date, and the SBHE would be requesting the 2027 Legislative Assembly transfer $2 million from the Supplemental Student Financial Assistance Grants line item to the Student Financial Assistance Grants line item ($1 million), the Scholars Program line item ($700,000), and the Professional Student Exchange Program (PSEP) line item ($300,000).

Committee Recommendation

The committee recommends a bill draft [27.0178.02000] to increase funding for the Student Financial Assistance Grants Program by $1 million. The University System will request a corresponding reduction to the Supplemental Student Financial Assistance Grants line item as part of its budget request submitted to the Governor and the Legislative Assembly.

Scholars Program

The Legislative Assembly provided $1,807,115 from the General Fund for the Scholars Program. The program provides full-tuition scholarships to resident students who score in the upper fifth percentile of North Dakota ACT test takers and enroll in an undergraduate program in the state. The committee reviewed the following summary of appropriations for the program:

Biennium	General Fund
2013-15	$2,113,584
2015-17	$2,113,584
2017-19	$1,807,115
2019-21	$1,807,115
2021-23	$1,807,115
2023-25	$1,807,115
2025-27	$1,807,115

The University System reported the eligibility requirements for the program require updates to ensure consistency with the ACT scoring methodology. In addition, the committee was informed approximately 30 students are awarded a scholarship through the program each year, and others who are otherwise eligible do not receive the scholarship due to funding limitations. The University System noted the scholarship is limited to undergraduate students and recipients may receive the award for 4 years; however, it is becoming more common for students to graduate and enroll in a postbaccalaureate program in fewer than 4 years.

Committee Recommendation

The committee recommends a bill draft [27.0178.02000] to amend statutory provisions relating to the Scholars Program to ensure consistency with the ACT scoring methodology, remove stipends, allow the award to be paid over 4 years regardless of whether the student is enrolled in an undergraduate or graduate program, and to increase funding for the scholarship by $5,444,116, to provide a total of $7,251,231 from the General Fund for the 2027-29 biennium. The increase in funding will provide for 200 new scholarship awards each year, the cost of which is anticipated to increase to $13.7 million in total for the 2029-31 biennium.

Professional Student Exchange Program

The Legislative Assembly provided $5,199,342 from the General Fund for the 2025-27 biennium for PSEP. The program assists North Dakota students enrolling in professional programs not offered in the state, including dentistry, optometry, and veterinary medicine. The following is a summary of appropriations for PSEP:

Biennium	General Fund	Student Loan Trust Fund	Total
2003-05	$1,678,300		$1,678,300
2005-07	$1,864,780	$262,500	$2,127,280
2007-09	$2,199,566	$523,380	$2,722,946
2009-11	$2,346,130	$990,970	$3,337,100
2011-13	$2,856,131	$465,307	$3,321,438
2013-15	$3,809,708	$465,307	$4,275,015
2015-17	$3,476,447	$465,307	$3,941,754
2017-19	$3,234,035	$465,307	$3,699,342
2019-21	$3,699,342		$3,699,342
2021-23	$3,699,342		$3,699,342
2023-25	$3,699,342		$3,699,342
2025-27	$5,199,342		$5,199,342

The University System reported full student cohorts under PSEP include 12 new veterinary medicine, 8 new optometry, and 7 new dentistry students each year; however, available funding has limited the number of awards. The committee was informed that with full cohort awards each year going forward, additional funding of approximately $200,000 in the 2027-29 biennium and $2.3 million in the 2029-31 biennium is anticipated to be needed for the program. The University System noted eligibility for the program is determined by student residency, and a resident student may include students from other states who enrolled in a University System institution and later established residency in the state.

Committee Recommendation

The committee recommends a bill draft [27.0178.02000] to statutorily establish PSEP, with eligibility changed to require recipients to have graduated from a high school or home education program in the state. The bill draft also increases funding for the program by $300,000, to provide a total of $5,499,342 from the General Fund for the 2027-29 biennium.