



# North Dakota Legislative Council

Prepared for the Education Committee

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## DUAL-CREDIT STUDY - BACKGROUND MEMORANDUM

The Legislative Assembly approved Section 46 of Senate Bill No. 2003 (2025) to require a study of dual-credit in the state, including which institutions may offer dual-credit courses, where dual-credit courses may be provided by the institutions, and state funding provided for dual-credit. The Legislative Management assigned this study to the interim Education Committee.

A dual-credit course is a 1-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 they will be teaching, a minimum of 18 graduate credit hours must be completed in the academic field in which they will be teaching.

State Board of Higher Education policy No. 469 authorizes 9 of the 11 institutions under the board's control, excluding the University of North Dakota and North Dakota State University (NDSU), to offer dual-credit to high school students. The policy authorizes the University of North Dakota and NDSU to offer dual-credit only when the course being offered is only offered by that institution or when either institution is required to offer dual-credit in order to fulfill a legislative mandate. The policy further authorizes NDSU to offer dual-credit in Cass County according to the terms of an agreement between NDSU, the North Dakota State College of Science, and Valley City State University.

### HIGHER EDUCATION FUNDING FORMULA

Senate Bill No. 2200 (2013) adopted a new higher education funding method beginning with the 2013-15 biennium based on an adjusted student credit-hour calculation. The calculation involves multiplying a base rate per student credit hour by an adjusted student credit-hour calculation for each institution.

Adjusted student credit hours for an institution are determined as follows:

1. Completed student credit hours are identified for each institution. A completed credit hour is one for which a student met all institutional requirements and obtained a passing grade.
2. A weighted completed student credit-hour calculation is determined by multiplying each institution's completed student credit hours by an instructional program classification factor. The factor amount for each program classification is based upon historical costs of instruction in each program.
3. Weighted completed student credit hours for each institution are adjusted for a credit completion factor which is based on total credits completed at an institution. Institutions that have a lower credit-hour output receive a greater weighting factor.

Adjusted student credit hours are multiplied by a base rate per credit hour which varies based on institution type. The following is a summary of the base rates for each institution:

Institutions	Biennial Base Rate Per Credit Hour		
	2021-23	2023-25	2025-27
NDSU, University of North Dakota	\$61.81	\$73.15	\$79.57
Dickinson State University, Mayville State University, Minot State University, Valley City State University	\$92.60	\$103.76	\$111.55
Bismarck State College, Dakota College at Bottineau, Lake Region State College, North Dakota State College of Science, Williston State College	\$98.84	\$110.38	\$119.91

The North Dakota 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. The University System reported 66,137 student credit hours completed by high school students during the 2019-21 biennium were included in the funding formula calculation for the 2023-25 biennium appropriation. These credit hours totaled approximately 3.4 percent of total credit hours completed during the 2019-21 biennium and resulted in \$9.1 million, or 1.4 percent, of funding determined under the formula for the 2023-25 biennium.

**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 college credit. The University System reported to the 2023-24 interim Higher Education Committee that a dual-credit student is charged a subsidized rate of \$89.43 per credit if the course is taught by an instructor paid by the high school, or an unsubsidized rate of \$153.96 per credit if the course is taught by an instructor paid by the University System institution. The tuition and fees are paid by the student to the University System institution.

**ELEMENTARY AND SECONDARY EDUCATION INTEGRATED FORMULA PAYMENTS**

In 2013, the Legislative Assembly approved the implementation of an integrated formula payment to provide school funding. The legislative appropriation for the state school aid program integrates property tax relief in the K-12 state school aid funding formula. The formula provides the state will determine an adequate base level of support necessary to educate students by applying an integrated payment rate to the weighted student units. For the 2025-27 biennium, the integrated payment rates provide \$11,349 during the 1<sup>st</sup> year of the biennium and \$11,633 during the 2<sup>nd</sup> year of the biennium. This base level of support is provided through a combination of local tax sources, local revenue, and state integrated formula payments. The local funding requirement is set at 60 mills and a percentage of identified local in lieu of property tax sources and local revenues. Base level support not provided by local sources is provided by the state through the integrated formula payment. For the 2025-27 biennium, the Legislative Assembly provided an appropriation of \$2.4 billion, of which \$1.57 billion is from the general fund, \$233 million is from the foundation aid stabilization fund, \$595.7 million is from the state tuition fund, and \$11 million is from special funds, derived from general fund carryover deposited in the department's operating fund, for state school aid for integrated formula payments. The K-12 state school aid funding formula provides the same level of support for a student enrolled in dual-credit courses as it does for a student not enrolled in dual-credit courses.

**DUAL-CREDIT TUITION SCHOLARSHIP**

The 2021 Legislative Assembly approved House Bill No. 1375, codified as Section 15-10-38.4 ([appendix](#)), to establish the dual-credit tuition scholarship program. The 2021 Legislative Assembly also appropriated \$1.5 million from Bank of North Dakota profits to the State Board of Higher Education for the dual-credit tuition scholarships. Students enrolled at any postsecondary institution in North Dakota, including public, private, tribal, or proprietary institutions, may be eligible for the dual-credit tuition scholarship if the student completed a dual-credit course and graduated from high school. The 2025

Legislative Assembly continued the scholarship program with an appropriation of \$1.5 million from Bank profits; however, the funding was identified as one-time for the 2025-27 biennium. During the 2021-22 and 2023-24 interims, representatives of the University System reported to the interim Higher Education Committees that the scholarship program provides an incentive at the collegiate level for taking dual-credit courses in high school.

### **BANK OF NORTH DAKOTA**

The Bank of North Dakota provides dual-credit assistance to eligible low-income students, including 459 students enrolled in 798 classes in 2021. To be eligible, a student must be a current sophomore, junior, or senior in high school in the state, qualify for federal free- or reduced-price lunch, and submit an application to the Bank during the course enrollment process. Costs covered by the Bank under this program include the college application fee, tuition and fees, and books.

### **PRIOR LEGISLATIVE STUDIES 2023-24 Higher Education Committee**

The 2023-24 interim Higher Education Committee studied funding for dual-credit courses, including a review of all funding sources relating to dual-credit courses in the state, including tuition and fees, the higher education funding formula, elementary and secondary education integrated formula payments, institution scholarships, state scholarships, and the Bank of North Dakota.

The University System reported 5,240 high school students were enrolled in college coursework for the fall 2023 semester, including dual-credit and early entry courses. This student enrollment level represents an increase in the enrollment of high school students in college coursework from fewer than 3,000 high school students for the fall 2015 semester.

The 2023-24 interim Higher Education Committee received the following information regarding funding for dual-credit courses in other states, including Minnesota, Montana, and South Dakota:

- Minnesota:

High school students may enroll in dual-credit and college-credit-only courses at no cost to the students.

K-12 schools receive state funds to contract with accredited postsecondary institutions.

33,159 students participated in dual-credit courses in 2021.

\$4 million was appropriated in 2021, providing \$50.48 per student per course for the postsecondary institutions.

- Montana:

2-year programs and community colleges are authorized to provide dual-credit opportunities.

Each of the 14 two-year schools has a specific service region in the state.

High school students enrolled in dual-credit courses delivered in the high school classroom may complete two courses at no charge and are charged \$55 per credit for any additional courses.

High school students enrolled in dual-credit courses delivered on the college campus or online may complete two courses at no charge and are charged 50 percent of the regular tuition rate for any additional courses.

- South Dakota:

Dual-credit courses are limited to high school juniors and seniors.

High school students enrolled in dual-credit courses taught by college faculty are charged one-third of the regular tuition rate (\$50.84 per credit) and the state reimburses the higher education institution the remaining two-thirds of the tuition rate.

High school students enrolled in dual-credit courses taught by a qualified high school teacher are charged \$40 per credit and no additional state funds are directed to the higher education institution.

The 2023-24 interim Higher Education Committee made no recommendation regarding funding for dual-credit courses.

### **2019-20 Education Policy Committee**

The 2019-20 interim Education Policy Committee studied dual-credit, advanced placement, and distance education courses. The committee was informed students in the state who want to take core dual-credit courses have access through online courses offered by University System institutions and by the Center for Distance Education.

The 2019-20 interim Education Policy Committee expressed concerns regarding the difficulty in locating and encouraging instructors to teach dual-credit and advanced placement courses throughout the state but ultimately made no recommendation regarding its study of dual-credit, advanced placement, and distance education courses.

## **SIMILAR LEGISLATIVE STUDIES**

### **2025-26 Higher Education Institutions Committee**

During the current interim, the Higher Education Institutions Committee, Senator Jonathan Sickler, Chairman, as a part of its higher education study directed in Senate Bill No. 2242 (2025) is to consider statewide dual-credit expansion to develop standard 3-year bachelor degree programs.

ATTACH:1