

DRAFT

North Dakota State Board of Higher Education

June 21, 2023, Budget and Finance Committee Meeting Minutes

The State Board of Higher Education Budget and Finance Committee met via Teams on June 21st, 2023. at 1:00 p.m. CT.

Chair Mihalick called the meeting to order at 1:00 p.m.

SBHE Budget and Finance Committee members participating:

Mr. Tim Mihalick, Chair
Mr. Jeffry Volk
Ms. Danita Bye
Mr. Kevin Black

Other participants:

Chancellor Hagerott
Mr. David Krebsbach, NDUS
Ms. Jamie Wilke, NDUS
Ms. Jane Grinde, NDUS
Mr. Darin King, CTS
Ms. Terry Meyer, NDUS
Mr. Chris Pieske, NDUS
Ms. Dina Cashman, NDUS
Ms. Rebecca Collins, BSC
Ms. Joann Kitchens, LRSC
Dean Carmen Simone, DCB
President Easton, Mr. Leslie Wietstock, DSU
President Van Horn, MaSU
President Shirley, MiSU
President LaFave, VCSU
President Hirning, WSC
Mr. Bruce Bollinger, NDSU
Ms. Karla Stewart, Ms. Odella Fuqua, UND
Mr. John Godsoe, Bond, Schoeneck & King
Mr. Kirk Welch and Ms. Angie Mirrione, HUB International representatives

introduced representatives from HUB International Investment Services, Mr. Kirk Welch and Ms. Angie Mirrione.

1. Agenda

Members Volk and Bye requested to further discuss the SBHE and System Office budget that was recently approved by BFC on June 15th.

Volk moved, Bye seconded, to approve the agenda with an additional item to discuss the system office budget that the committee approved on June 15, 2023.

Bye, Black, Volk, and Mihalick voted yes.

2. Meeting Minutes

Volk moved, Danita seconded, to approve the May 17, 2023, meeting minutes with an amendment to item five, specifically to add language stating the reason for member Black's vote to abstain. Member Black confirmed he was absent during most of the discussion/information that was provided by UND representatives, system office staff, and other committee members for item five, UND's tuition request.

Bye, Black, Volk, and Mihalick voted yes.

3. 2021-2022 Tuition Waiver Report

And,

4. 2023 Affordability Report

Ms. Brenda Zastoupil reviewed the 2021-2022 Tuition Waiver and the 2023 Affordability Reports. She explained that the reports are generally released a few months earlier, but due to legislative session, they were delayed. Both reports were sent to the institution's financial aid directors and fiscal officers to review; the reports were also included in the NDUS Councils and Chancellor's Cabinet agendas. In the Tuition Waiver Report there is a summary of the tuition waivers issued in Fall of 2021 and Spring/Summer of 2022. Ms. Zastoupil explained that the reports are always a year behind because they are currently still awarding funds for the current year.

The committee discussed several components of both reports and requested the data be broken down to compare only tuition rates and other expenses/fees from year to year, by institutions used for benchmarking. The committee noted that it is also driven by external factors but would identify how NDUS and other competitors rank from purely a tuition perspective. Mr. Krebsbach stated that specific data is available and will be sent to the committee members.

5. Welcome and Introductions, HUB International Investment Services

- a. Introductions: Mr. Kirk Welch and Ms. Angie Mirrione
- b. Next Steps

Mr. John Godsoe introduced representatives from HUB International Investment Services, Mr. Kirk Welch and Ms. Angie Mirrione. The committee was presented information on the following components:

- Goals/Objectives of Committee
- Next Steps: Phase I and II
- Collection of Plan(s) Data/Documents
- Fiduciary Training
- Committee membership
- Next Meeting Timing

6. Minnesota Reciprocity MOU 2023-24

Vice Chancellor Krebsbach stated that a draft copy of the Minnesota Reciprocity MOU 2023-24 has not been received yet for the committee's review, however, the office will most likely receive it in the next couple days. He stated that it could be placed on the full board agenda for June 27th if the committee

members have no concerns with bringing it straight to the Board. Mr. Krebsbach informed the committee that the Minnesota reciprocity Agreement is an annual agreement that is signed each year by both North Dakota and Minnesota. The committee members agreed that it should go straight to the Board next week, if possible, to avoid delaying.

7. **FY24 salary ranges for Vice Chancellors & Senior Officers**

Chancellor Hagerott reviewed his proposal for FY24 salary ranges for system office Vice Chancellors and a Senior Officer. SBHE policy 705.1 requires the SBHE "Executive Committee" to approve salary ranges based on relevant market data and salary increases based on performance and approved matrices. He explained that the University System Office utilizes CUPA-HR data, salary ranges are based on 80-120% of the median of peer comparators, and increases are to be based on documented performance evaluations and availability of funding. He stated the proposal is for six percent salary increases as approved by Legislative Assembly funding for FY2024, effective 7/1/2023.

The proposal also includes increases from the legislatively approved equity program; the program allowed him to provide market equity compensation adjustments in FY23 to the majority of the system office staff. He noted that his position qualifies for the equity increase, rather he distributed it to system office staff based on their market and performance.

The committee discussed market rate/CUPA data, conducting a compensation study for system office executives, legalities of discussing salaries for individuals based on their specific positions vs. conducting them in executive session, as done for the NDUS Presidents and Chancellor reviews.

Board Counsel, Ms. Meredith Larson, offered legal guidance, stating that the specific salaries being discussed are not defined as an exempt or confidential topic by legislation/statute, so they do not qualify to be held in an executive session. She further clarified that it would not be necessary for the Board to request a legislative change and that the open meeting concerns could be resolved with a change to Board policy. If the Board decides a better governance practice would be to have the salaries under the purview of the Chancellor, it will require a change in Board policy and it would no longer be the decision of the Board, therefore not required to be discussed in an open meeting.

The committee continued discussion at length; Committee Chair Mihalick called for the vote, noting there was no consensus, however, it will move forward to the full Board for a final decision next week.

Bye moved, Mihalick seconded, to recommend approval of the Chancellor's recommendation for Fiscal Year 2024 salary ranges for system office Vice Chancellors and Senior Officers, as presented.

Bye, Black, and Mihalick voted yes. Volk voted no. Motion passes 3 – 1.

8. **NDSCS Transfer of Tier Funds – Ratification of Chancellor's Approval**

Volk moved, Danita seconded, to recommend approval for ratification of the Chancellor's approval for NDSCS to transfer of \$500,695 and \$263,167, respectively, from the NDUS System Office Tier II and Tier III capital building fund appropriation line to the NDSCS capital building fund appropriation line.

Bye, Black, Volk, and Mihalick voted yes.

Added Agenda Item – SBHE & System Office FY24 & FY25 Operating Budgets

The committee discussed the approval of the system office budget that took place on June 15, 2023. Member Bye expressed concerns to the amendment that was made to her motion. The original action/motion was to approve the SBHE and system budgets; the amendment was to require the system office to provide the committee with quarterly budget reports for both the system office and CTS. She stated the Board's larger focus and efforts should be strategic, innovative, and removing barriers for future planning. She indicated that requiring quarterly reporting will be exhaustive for staff and bring the Board down to a granular level. Committee Chair Mihalick agreed and stated that the committee can request to review budgets when necessary and/or for specific reasons, there is not a need for a quarterly review. He also stated that the system already provides multiple reports/documents related to budgets and committee members should work with system office staff for specific requests. Mr. Volk stated he has concerns about some of the data and/or documentation that has been provided and would like to be more informed regarding decision making and future planning.

Quick Links:

- [BFC Annual Calendar](#)

Bye moved, Volk seconded, to adjourn the meeting at 2:45 p.m. CT.

Bye, Black, Volk, and Mihalick voted yes.



ACCESS. INNOVATION. EXCELLENCE.

Tuition Waiver Report 2021-2022

December 2022

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Bismarck, North Dakota 58505-0230
Website: www.ndus.edu

Table of Contents

Executive Summary.....	1
Tuition Waivers by Category.....	2
Charts 1.1, 1.2, 1.3: % of Total Waiver Dollars by Category	3
Table 1: Tuition Waiver Comparison to Prior Year	4
Chart 2: 2021-22 Waiver Category by % of Total Dollars	4
Table 2: 2021-22 Tuition Waiver by Category	5
Average Tuition Amounts Paid by Students Receiving Waivers.....	6
Charts 3.0 and 3.1: Avg Tuition Paid Undergraduate and Graduate	6
Total Collections.....	7
Table 3: Degree-Seeking Tuition Waivers	7
Tuition Waivers by Residency	8
Chart 4: % of Degree-Seeking Students Receiving a Waiver by Residency	8
Table 4: Tuition Waiver by Level of Tuition Waiver and Residency	9

Report Prepared By

Brenda Zastoupil, NDUS Financial Aid Director

North Dakota University System (NDUS)
Tuition Waiver Report
Academic Year 2021-22

The 2021-22 Tuition Waiver Report reflects waivers issued to students for coursework taken during fall 2021, spring 2022 and summer 2022. The charts and tables included represent degree-seeking waivers and may also include non-degree seeking student waivers. Waivers for certificate programs are included if the student's primary academic program is considered degree seeking. Continuing education waivers are excluded. Waivers are categorized as ND Resident, In-Country Non-Resident, or International, which are based on tuition residency and citizenship status. It is important to note that this report does not take into consideration differences in program costs, or in tuition models, including residency differences, across the system.

EXECUTIVE SUMMARY

- During the 2021-22 academic year, 41,502 degree-seeking students were enrolled in the North Dakota University System (NDUS). [Tables 3 & 4]
 - ND resident students comprised 53.7% of total students
 - In-country non-resident students 40.6%, and
 - International students 5.7%
- Of degree-seeking students enrolled in 2021-22, 9,537 (23.0%) received waivers totaling \$36.4 million. Total waiver dollars to degree-seeking students increased by \$1.38 million, a 3.9% increase, from 2020-21. [Table 3]
- Waivers to degree and non-degree seeking students increased by \$1.45 million from 2020-21, a 4.1% increase. [Table 1]
- Statutory and SBHE required waivers were \$5.8 million (15.7%) of total waiver dollars to both degree and non-degree seeking students. The remaining waivers are at the institution's discretion. [Table 2 and Charts 1.1 & 1.2]
- Institutional waivers are provided to meet the mission and goals of the enrolling institution. [Table 2 & Chart 1.3]
 - Graduate assistant waivers are the largest category of waivers at \$15.6 million (42.3%)
 - Other institutional waivers are second at \$12.3 million (33.3%)
 - Cultural diversity waivers are at \$2.6 million (7.0%)
 - International student waivers accounted for \$.53 million (1.4%)
 - WICHE waivers were \$.13 million (0.3%)
- Degree-seeking students receiving tuition waivers paid campuses \$87.6 million in tuition, housing and food plans, and mandatory fees, which is more than twice the value of waivers received. [Table 3]
- In 2021-22, 21.3% of degree-seeking ND resident students received a waiver, the highest in 10 years. [Chart 4]
- ND resident students received 49.9% (4,756) of the 9,537 waivers awarded; In-country non-residents received 38.4% (3,663); and international students received 11.7% (1,118). [Table 4]
- At the majority of institutions, ND resident degree-seeking undergraduate students pay less, or comparable, tuition on average than all other residency categories. [Chart 3.0]

TUITION WAIVERS BY CATEGORY

Tuition waivers fall into one of three categories: State-mandated; State Board of Higher Education (SBHE) required; and those made at the institution's discretion. A five-year history of the percent of total waiver dollars by waiver type and category is displayed in Charts 1.1, 1.2, and 1.3.

State Mandated by ND Century Code:

- Full tuition waivers are provided for dependents of POW/MIA Veterans who were killed in action, died of service-related causes, were prisoners of war, have a 100% service-connected disability, or who were declared missing in action.
- National Guard members receive a 35% tuition waiver, and state funding provided to the Adjutant General covers the remainder of the Guard-member's tuition.
- A 100% tuition waiver is available to the surviving spouse and children (biological, adopted or step) of ND firefighters or peace officers killed in the line of duty. The child must be under the age of 21 at the time of the incident.
- A 25% waiver of tuition and fees is provided for law enforcement officers. The ND Attorney General's Office determines eligibility for this waiver through an application process.

State-mandated waivers totaled \$1.9 million, an increase from the prior year of \$.07 million (4.0%). This category represents 5.1% of the total waiver dollars to degree and non-degree students.

SBHE Required:

SBHE policy requires limited tuition waivers for benefited employees, 100% waiver for the SBHE student member, senior citizen waivers, and a 50% spouse and dependent waiver.

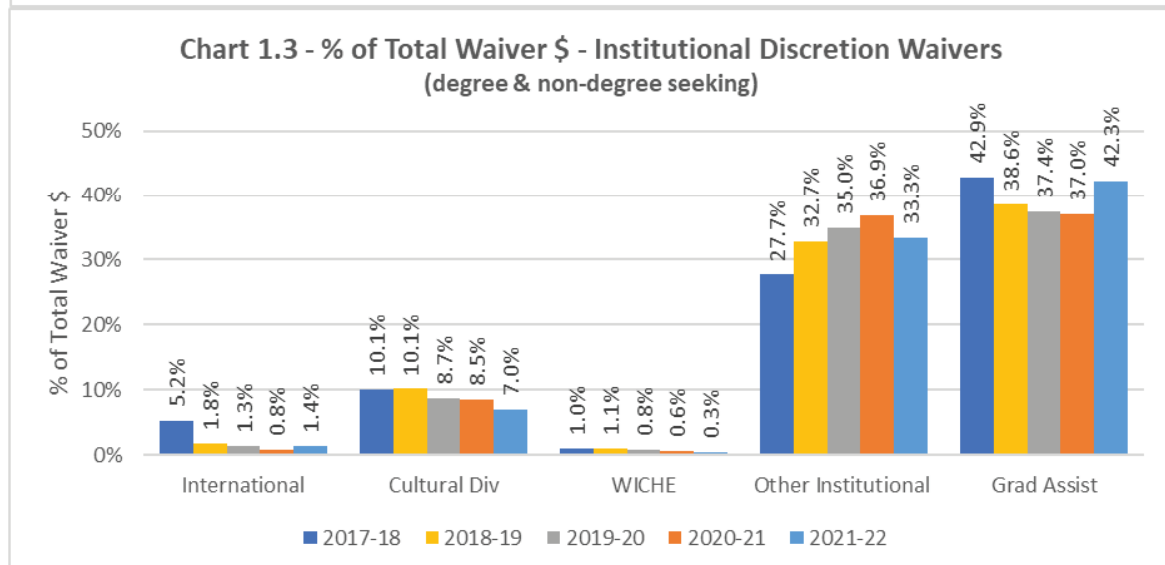
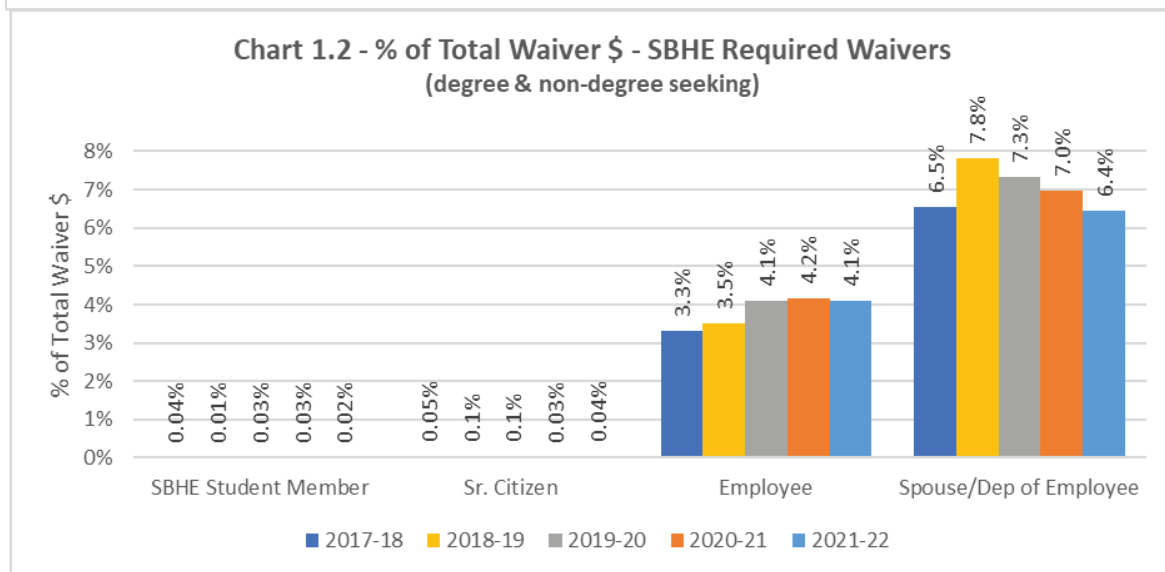
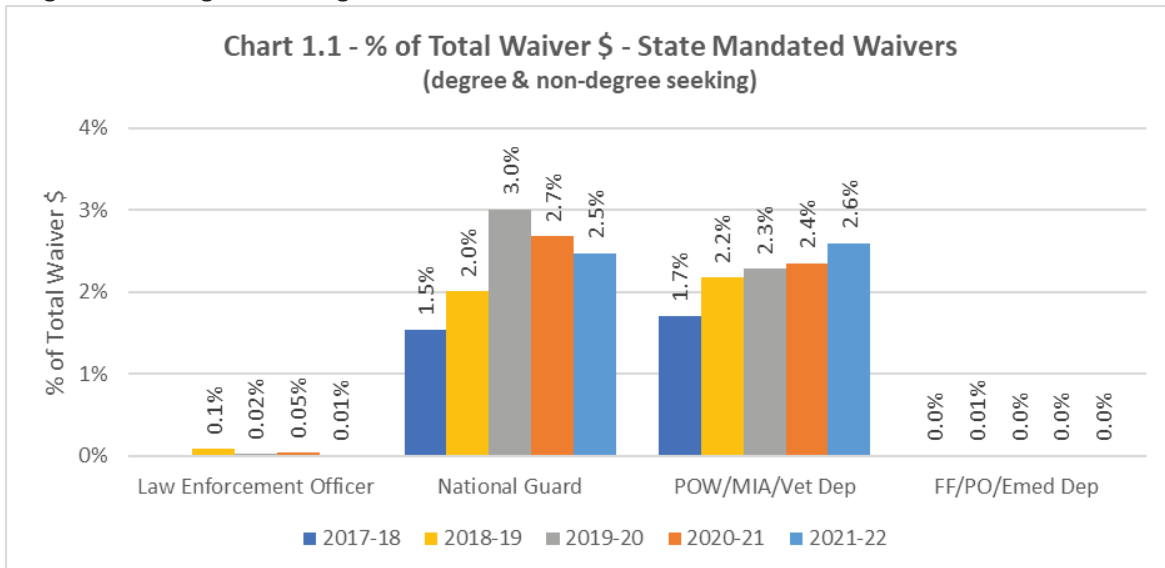
SBHE required waivers totaled \$4.0 million, a slight decrease of \$.06 million (-1.4%) from the prior year. This category represents 10.6% of total waiver dollars to degree and non-degree students.

Institutional Discretion:

Institutions offer waivers for purposes that meet the mission and goals of the enrolling institution and to enhance the educational experience of students. As NDUS institutions compete for students regionally, nationally, and internationally, waivers are an important tool operationally in recruiting and retaining students and play an important role in affordability and access. Institutions may offer waivers for specific purposes, such as returning students completing a program of study, academic achievement, and activity participation, especially when scholarships are not available. Additionally, waivers encourage a robust and diverse experience for students who will be performing in a global environment following graduation, an important factor in awards of international waivers and cultural diversity waivers. Cultural diversity waivers promote diversity through sharing cultural experiences in a diverse campus setting. Further, waivers for programs such as STEM encourage students to think creatively as they become the next generation of innovators of products and services that help to sustain the economy.

Graduate student waivers are the largest category of waivers issued at institution's discretion. NDUS institutions provide competitive compensation packages to graduate assistants that include waivers, because there is competition for these future leaders from other institutions of higher education across the nation. Graduate students add to critical research and development and assist in classroom teaching and experiences for undergraduates.

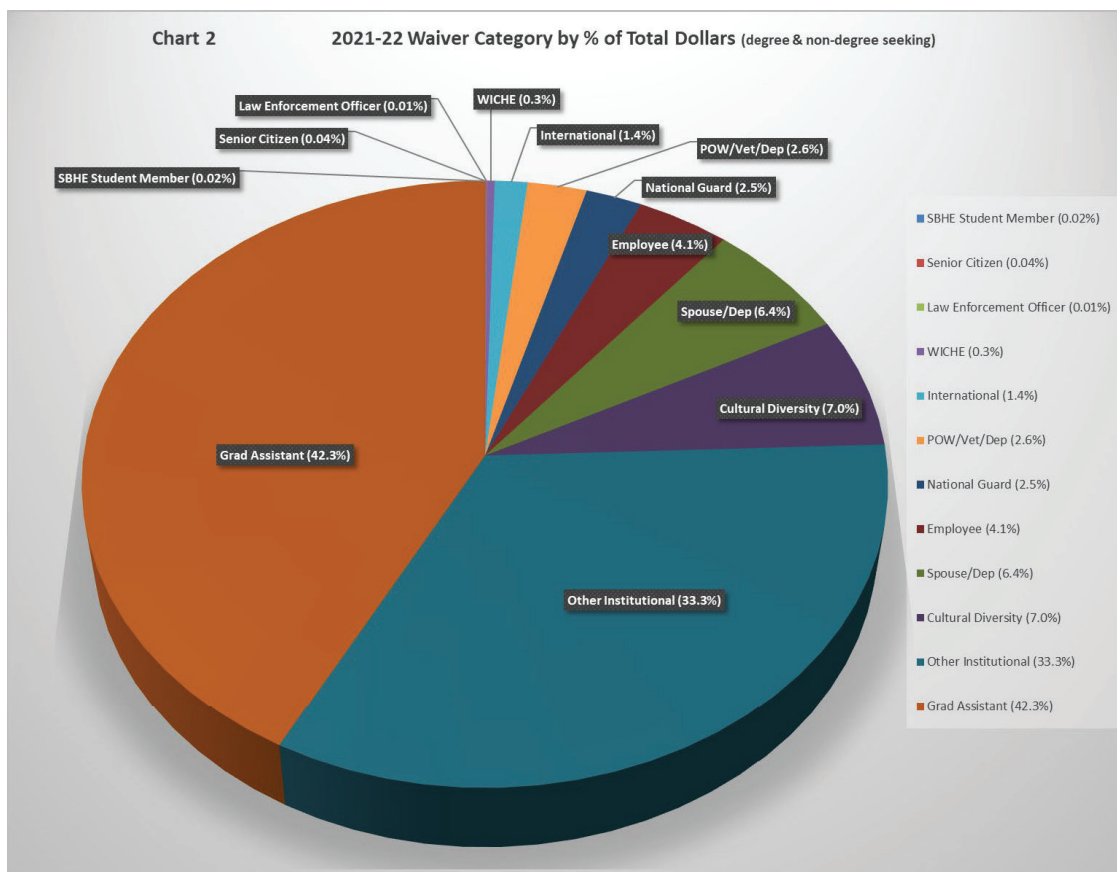
Waivers at the institution's discretion totaled \$31.2 million. This is an increase of \$1.4 million (4.8%) from the prior year. Institutional waivers comprise 84.3% of all waiver dollars issued to both degree-seeking and non-degree seeking students.



Many waiver categories saw minimal change from the prior year. The waiver with the greatest percentage increase was graduate assistant with a 18.8% increase from \$13,150,136 to \$15,617,615. This category continues to be the largest waiver category at 42.3% of total waivers awarded. The net change for all waivers from 2020-21 was an increase of \$1.4 million, a 4.1% increase, as shown in Table 1 below.

Waiver Type	2020-21	2021-22	\$ Change	% Chg
Law Enforcement Officer	\$16,099	\$3,170	-\$12,929	-80.3%
National Guard	\$952,492	\$914,529	-\$37,962	-4.0%
POW/MIA/VET Dep.	\$837,221	\$961,503	\$124,282	14.8%
FF/PO/Emed	\$0	\$0	\$0	0.0%
Senior Citizen	\$9,180	\$16,100	\$6,920	75.4%
SBHE Student Member	\$8,909	\$8,129	-\$780	-8.8%
Spouse/Dep	\$2,478,528	\$2,384,964	-\$93,564	-3.8%
Employee	\$1,480,825	\$1,512,130	\$31,305	2.1%
International	\$274,190	\$532,727	\$258,537	94.3%
Cultural Diversity	\$3,027,040	\$2,571,041	-\$455,999	-15.1%
WICHE	\$203,849	\$128,627	-\$75,221	-36.9%
Other Institutional	\$13,099,855	\$12,332,859	-\$766,996	-5.9%
Graduate Assistant	\$13,150,136	\$15,617,615	\$2,467,479	18.8%
TOTAL	\$35,538,322	\$36,983,393	\$1,445,071	4.1%

Chart 2 details the 2021-22 waivers for both degree seeking and non-degree seeking students by category as a percentage of total dollars waived. Table 2 that follows provides the detail for each waiver category.



Campus	STATUTORILY REQUIRED					SBHE POLICY REQUIRED					INSTITUTIONAL DISCRETION						Duplicated Total	Unduplicated HC Total (from Table 2)
	Law Enforcement Officer	National Guard	POW/MIA/Vet Dep Waiver	FF/PO/Emed Dep	Subtotal	Sr Citizen	SBHE Student Mbr	Spouse/Dep Waiver	Employee Waiver	Subtotal	International Student	Cultural Diversity	WICHE	Other Institutional	Grad Assistant	Subtotal		
BSC																		
# Of Students	0	46	20	0	66	4	0	35	19	58	3	2	0	104	0	109	233	193
Dollars	\$0	\$52,014	\$78,802	\$0	\$130,817	\$1,169	\$0	\$36,399	\$16,833	\$54,401	\$16,682	\$5,009	\$0	\$121,524	\$0	\$143,215	\$328,432	
DCB																		
# Of Students	0	4	4	0	8	1	0	11	3	15	1	12	0	30	0	43	66	44
Dollars	\$0	\$3,448	\$9,075	\$0	\$12,523	\$272	\$0	\$17,232	\$5,627	\$23,131	\$5,717	\$26,000	\$0	\$73,859	\$0	\$105,576	\$141,230	
DSU																		
# Of Students	0	10	10	0	20	2	0	29	23	54	0	8	0	612	20	640	714	580
Dollars	\$0	\$14,017	\$71,712	\$0	\$85,729	\$467	\$0	\$147,695	\$37,162	\$185,324	\$0	\$7,469	\$0	\$942,381	\$84,504	\$1,034,354	\$1,305,407	
LRSC																		
# Of Students	2	7	9	0	18	2	0	21	8	31	13	27	0	84	0	124	173	134
Dollars	\$780	\$5,999	\$35,713	\$0	\$42,492	\$4,597	\$0	\$24,157	\$14,373	\$43,126	\$112,721	\$48,323	\$0	\$181,712	\$0	\$342,756	\$428,374	
MaSU																		
# Of Students	0	6	9	0	15	0	0	20	7	27	0	45	0	154	0	199	241	210
Dollars	\$0	\$8,042	\$49,557	\$0	\$57,599	\$0	\$0	\$44,686	\$9,598	\$54,284	\$0	\$52,000	\$0	\$309,142	\$0	\$361,142	\$473,025	
MiSU																		
# Of Students	3	11	20	0	34	10	0	60	24	94	0	56	0	842	0	898	1,026	877
Dollars	\$1,382	\$15,487	\$126,709	\$0	\$143,578	\$4,666	\$0	\$145,451	\$44,233	\$194,350	\$0	\$125,805	\$0	1,391,948	-	\$1,517,753	\$1,855,681	
NDSCS																		
# Of Students	0	26	14	0	40	0	0	35	1	36	0	12	0	505	0	517	593	473
Dollars	\$0	\$29,163	\$56,201	\$0	\$85,364	\$0	\$0	\$43,477	\$450	\$43,927	\$0	\$8,800	\$0	\$296,767	\$0	\$305,567	\$434,858	
NDSU																		
# Of Students	0	190	23	0	213	4	0	210	187	401	62	185	0	3,247	1,143	4,637	5,251	5,014
Dollars	\$0	\$462,303	\$191,437	\$0	\$653,740	\$4,126	\$0	\$834,982	\$486,458	\$1,325,565	\$383,381	\$1,283,004	\$0	\$5,563,334	\$10,823,033	\$18,052,751	\$20,032,056	
UND																		
# Of Students	2	133	37	0	172	0	1	268	244	513	0	224	5	638	422	1,289	1,974	1,764
Dollars	\$849	\$302,006	\$307,163	\$0	\$610,018	\$0	\$8,129	\$1,040,566	\$869,718	\$1,918,412	\$0	\$29,874	\$128,627	\$3,263,363	\$4,688,204	\$8,910,069	\$11,438,498	
VCSU																		
# Of Students	1	15	6	0	22	0	0	27	12	39	7	84	0	95	4	190	251	206
Dollars	\$159	\$22,050	\$32,670	\$0	\$54,879	\$0	\$0	\$45,906	\$25,072	\$70,978	\$14,226	\$106,974	\$0	\$100,958	\$21,874	\$244,032	\$369,889	
WSC																		
# Of Students	0	0	1	0	1	3	0	6	4	13	0	18	0	16	0	34	48	42
Dollars	\$0	\$0	\$2,464	\$0	\$2,464	\$803	\$0	\$4,413	\$2,607	\$7,824	\$0	\$77,783	\$0	\$87,873	\$0	\$165,656	\$175,943	
TOTAL																		
# Of Students	8	448	153	0	609	26	1	722	532	1,281	86	673	5	6,327	1,589	8,680	10,570	9,537
Dollars	\$3,170	\$914,529	\$961,503	\$0	\$1,879,202	\$16,100	\$8,129	\$2,384,964	\$1,512,130	\$3,921,322	\$532,727	\$2,571,041	\$128,627	\$12,332,859	\$15,617,615	\$31,182,869	\$36,983,393	
% of TTL Dollars	0.01%	2.5%	2.6%	0.0%	5.1%	0.04%	0.02%	6.4%	4.1%	10.6%	1.4%	7.0%	0.3%	33.3%	42.3%	84.3%		

Students may be duplicated in the count as students may receive more than one category of waiver (e.g. both a national guard and other institutional waiver) and therefore would be counted more than once.

TUITION AMOUNTS PAID BY STUDENTS RECEIVING WAIVERS

Tuition waivers vary between institutions due to tuition model and rate variations, and differences in mission and goals. Some institutions provide in-state rates to some, or all, out-of-state students, which may result in lower tuition waivers. In addition, programs within an institution may also have varied tuition rates which may affect the waivers. As a result of the various tuition models, waivers are not comparable across institutions without analyzing corresponding tuition rates, which this report does not do. Charts 3.0 and 3.1 reflect average tuition paid by residency type. ND resident undergraduate students paid less, or comparable, tuition on average than non-residents and international students. ND resident graduate students with a waiver had either the lowest, or comparable, average tuition rates compared with non-residents and international students. As noted, graduate waivers continue to be a key tool in expanding research and assist in providing needed teaching and research support across all disciplines.

Chart 3.0 - 2021-22 Avg Undergraduate Tuition Paid (degree seeking)

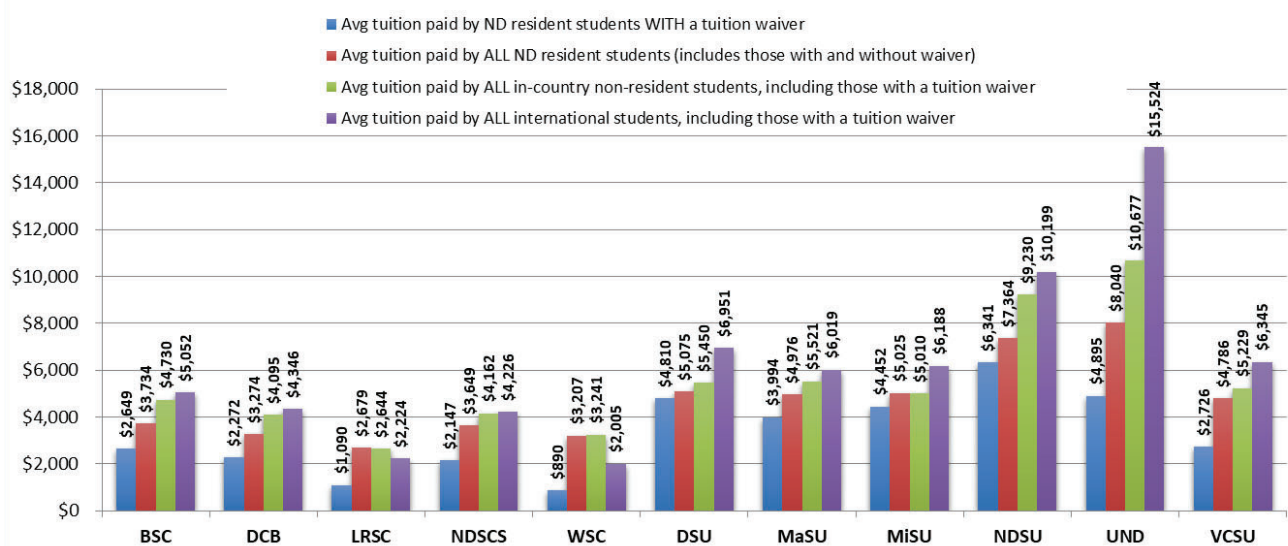
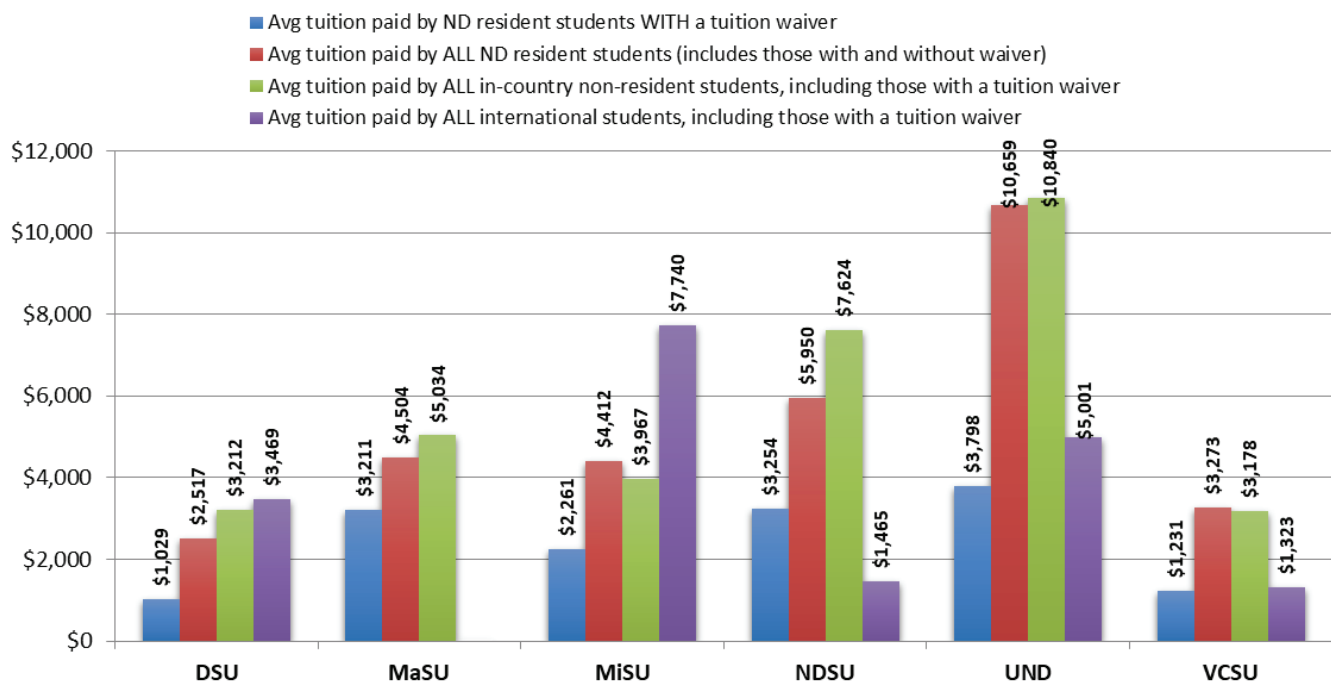


Chart 3.1 - 2021-22 Avg Graduate & Professional Tuition Paid (degree-seeking)



TOTAL COLLECTIONS

As shown below, 9,537 (23.0%) of the 41,502 degree-seeking students received some type of tuition waiver, totaling \$36.4 million in 2021-22. This is an increase from 2020-21, wherein 8,956 students received waivers totaling \$35.0 million. Waivers as a percent of gross tuition charged were 10.7%. However, during 2021-22, students with a tuition waiver still paid institutions \$87.6 million. This came from tuition of \$49.7 million, housing and food plans of \$25.9 million, and mandatory fees of \$12.0 million.

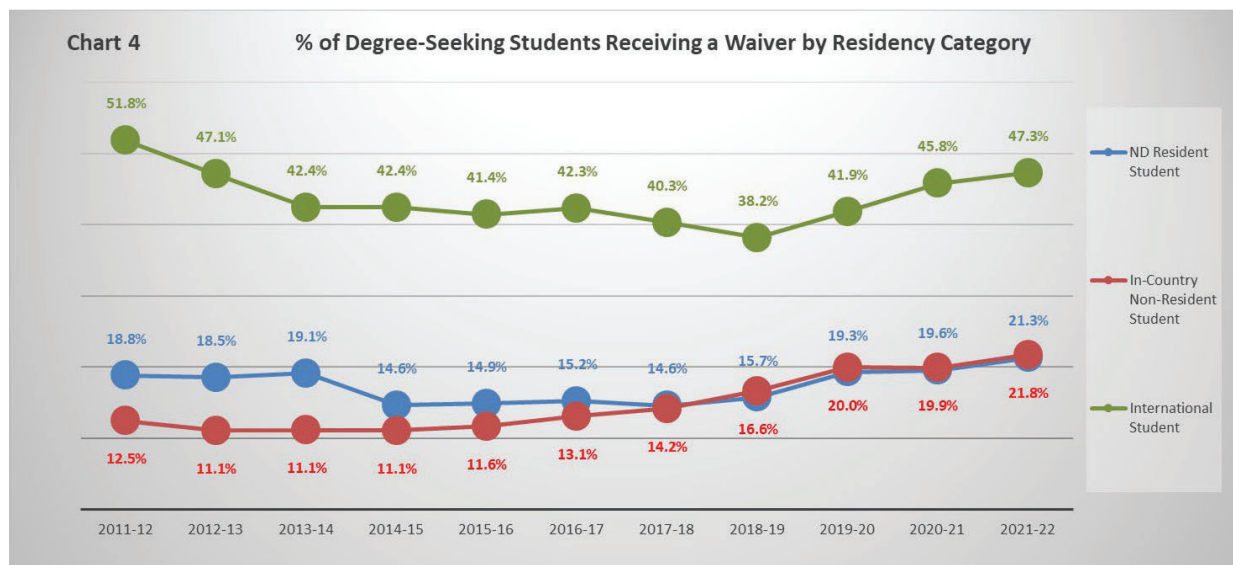
Overall, net collections of tuition, housing and food plans and mandatory fees for all students, both those with a waiver and those without a waiver, totaled \$428.7 million. This represents a 3.1% increase in net total collections from the prior year for all degree-seeking students. Students receiving a tuition waiver generated 20.4% of these collections.

	BSC	DCB	DSU	LRSC	MaSU	MiSU	NDSCS	NDSU	UND	VCSU	WSC	NDUS Total
1 Annual degree-seeking headcount (HC) enrollment	3,233	589	1,401	806	1,029	2,871	1,999	12,910	14,623	1,261	780	41,502
2 Unduplicated number of HC students receiving tuition waiver	193	44	580	134	210	877	473	5,014	1,764	206	42	9,537
3 Gross tuition charged to <u>ALL</u> students (with & without waiver)	\$13,034,359	\$2,192,921	\$8,420,926	\$2,522,092	\$5,792,117	\$16,527,780	\$8,120,859	\$120,422,734	\$154,617,712	\$6,284,900	\$2,608,861	\$340,545,261
4 Total tuition waived	\$313,720	\$130,918	\$1,284,094	\$380,794	\$464,865	\$1,824,380	\$399,679	\$19,914,193	\$11,168,647	\$351,909	\$174,236	\$36,407,435
5 Net tuition charged to students receiving a tuition waiver	\$528,661	\$108,594	\$2,794,906	\$180,817	\$1,080,749	\$3,774,096	\$2,033,131	\$30,124,715	\$8,262,877	\$841,725	\$19,049	\$49,749,321
6 Net housing & food charged to students receiving a tuition waiver	\$189,675	\$217,363	\$1,152,137	\$419,722	\$520,483	\$1,350,990	\$2,543,177	\$15,822,912	\$3,008,436	\$495,459	\$191,519	\$25,911,872
7 Net mandatory fees charged to students receiving a tuition waiver	\$137,977	\$47,902	\$869,051	\$95,414	\$275,144	\$1,049,802	\$638,112	\$6,327,989	\$2,119,933	\$331,663	\$59,645	\$11,952,631
8 Total net tuition, housing & food, and mandatory fees charged to <u>ALL</u> students (with & without waiver)	\$17,411,889	\$3,710,678	\$10,734,217	\$3,843,998	\$7,893,683	\$20,467,834	\$16,265,060	\$146,941,543	\$185,954,306	\$9,914,659	\$4,718,343	\$428,681,810
9 Total net tuition, housing & food, and mandatory fees charged to students receiving a tuition waiver	\$856,313	\$373,859	\$4,816,094	\$695,953	\$1,876,376	\$6,174,888	\$5,214,420	\$52,275,616	\$13,391,246	\$1,668,848	\$270,212	\$87,613,824
10 % of net TOTAL tuition, housing & food and mandatory fees generated from tuition waiver recipients	4.9%	10.1%	44.9%	18.1%	23.8%	30.2%	32.1%	35.6%	7.2%	16.8%	5.7%	20.4%

Student counts are unduplicated - Students may receive more than one type of waiver, but are counted only once.
Amounts rounded to the nearest dollar.

TUITION WAIVERS BY RESIDENCY

Since 2011-12, ND resident students and in-country non-resident students receiving a waiver has been steady, although increasing in recent years. In 2021-22, 21.3% of ND resident students received a waiver. This is an increase from the 2020-21 rate and is the highest in 10 years. In-country non-resident students accounted for 21.8% of the waivers. International students receiving a waiver dropped steadily through 2018-19 and has increased steadily since, with 47.3% of international students receiving a waiver in 2021-22.



Most waivers provided are partial waivers from 1-99% as shown in Table 4. Total students receiving waivers increased from 8,956 in 2020-21 to 9,537 in 2022-23. The following summarizes the 2021-22 tuition waivers to degree-seeking students.

- 23.0% of degree-seeking students received a waiver in 2021-22.
- 1,880 (4.5%) of degree-seeking students received full waivers, a slight increase from the prior year's rate of 4.4%.
- 7,657 (18.4%) of degree-seeking students received partial waivers, an increase from the 16.7% reported in 2020-21.
- Most waivers were issued to ND resident students. A total of 4,756 ND resident students received waivers, which equates to 49.9% of total tuition waivers issued. This is an increase from the 2020-21 rate of 49.5%.
- 3,663 in-country, non-resident students received tuition waivers, which reflects 38.4% of all waivers provided. This is a decrease from 39.2% reported in 2020-21.
- 1,118 international students received tuition waivers, which is 11.7% of waivers issued. This was a slight increase from 11.4% reported in 2020-21.

		BSC		DCB		DSU		LRSC		MaSU		MiSU		NDSCS		NDSU		UND		VCSU		WSC		NDUS Total	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
ND Resident																									
1	No Waiver	2,405	93.0%	429	96.4%	557	63.9%	591	87.9%	549	86.5%	1,296	70.2%	1,105	94.7%	3,571	61.5%	5,804	83.5%	759	91.1%	481	98.8%	17,547	78.7%
2	Partial Waiver	154	6.0%	13	2.9%	264	30.3%	60	8.9%	77	12.1%	512	27.7%	49	4.2%	1,915	33.0%	868	12.5%	59	7.1%	3	0.6%	3,974	17.8%
3	Full Waiver	27	1.0%	3	0.7%	50	5.7%	21	3.1%	9	1.4%	38	2.1%	13	1.1%	323	5.6%	280	4.0%	15	1.8%	3	0.6%	782	3.5%
4	Total ND Resident	2,586		445		871		672		635		1,846		1,167		5,809		6,952		833		487		22,303	
In-Country Non-Resident																									
5	No Waiver	625	98.7%	69	84.1%	235	48.9%	73	71.6%	262	71.0%	445	63.6%	415	50.4%	4,162	65.8%	6,386	95.6%	284	69.6%	216	93.5%	13,172	78.2%
6	Partial Waiver	8	1.3%	13	15.9%	238	49.5%	19	18.6%	105	28.5%	247	35.3%	408	49.5%	1,916	30.3%	217	3.2%	121	29.7%	6	2.6%	3,298	19.6%
7	Full Waiver	0	0.0%	0	0.0%	8	1.7%	10	9.8%	2	0.5%	8	1.1%	1	0.1%	244	3.9%	80	1.2%	3	0.7%	9	3.9%	365	2.2%
8	Total In-Country Non-Resident	633		82		481		102		369		700		824		6,322		6,683		408		231		16,835	
International																									
9	No Waiver	10	71.4%	47	75.8%	29	59.2%	8	25.0%	8	32.0%	253	77.8%	6	75.0%	163	20.9%	669	67.7%	12	60.0%	41	66.1%	1,246	52.7%
10	Partial Waiver	4	28.6%	14	22.6%	19	38.8%	15	46.9%	17	68.0%	71	21.8%	2	25.0%	133	17.1%	101	10.2%	8	40.0%	1	1.6%	385	16.3%
11	Full Waiver	0	0.0%	1	1.6%	1	2.0%	9	28.1%	0	0.0%	1	0.3%	0	0.0%	483	62.0%	218	22.1%	0	0.0%	20	32.3%	733	31.0%
12	Total International	14		62		49		32		25		325		8		779		988		20		62		2,364	
Total																									
13	No Waiver	3,040	94.0%	545	92.5%	821	58.6%	672	83.4%	819	79.6%	1,994	69.5%	1,526	76.3%	7,896	61.2%	12,859	87.9%	1,055	83.7%	738	94.6%	31,965	77.0%
14	Partial Waiver	166	5.1%	40	6.8%	521	37.2%	94	11.7%	199	19.3%	830	28.9%	459	23.0%	3,964	30.7%	1,186	8.1%	188	14.9%	10	1.3%	7,657	18.4%
15	Full Waiver	27	0.8%	4	0.7%	59	4.2%	40	5.0%	11	1.1%	47	1.6%	14	0.7%	1,050	8.1%	578	4.0%	18	1.4%	32	4.1%	1,880	4.5%
16	Partial + Full Waivers	193	6.0%	44	7.5%	580	41.4%	134	16.6%	210	20.4%	877	30.5%	473	23.7%	5,014	38.8%	1,764	12.1%	206	16.3%	42	5.4%	9,537	23.0%
17	Total Degree Seeking Headcount	3,233		589		1,401		806		1,029		2,871		1,999		12,910		14,623		1,261		780		41,502	

Degree-seeking headcount enrollments used for calculation purposes are based on end of term enrollment for all students charged tuition and mandatory fees in the academic year. These numbers will not align with official beginning of term enrollment, however, this will not cause a substantial change in the reported data.

North Dakota University System

2023 Affordability Report



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Table of Contents

Executive Summary.....	1
Tuition, Mandatory Fees, Housing & Food	3
Cost of Attendance	3
Financial Aid Overview.....	4
Federal Financial Aid.....	6
Annual Student Loan Disbursements.....	10
Indebtedness at Graduation	12
2021-22 Grants, Scholarships and Waivers	12
2021-22 Total Financial Aid Disbursements and % of Cost Covered	14
State Financial Aid Programs and Appropriation.....	14
Other Sources - 9/11 GI Bill Benefits and Dept. of Defense Tuition Assistance	16
Net Price.....	16

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North Dakota University System (NDUS) 2023 Affordability Report

College affordability is a significant factor in student access, retention, and completion. Tuition and fee rates are a component of affordability, as is the availability of financial aid programs from federal, state, institutional and private sources, among other factors. Strategically designed approaches to college affordability can better assist students in preparing for post-secondary education, accessing programs, and degree persistence. This report outlines key affordability factors within the North Dakota University System (NDUS) by focusing on student costs and availability of financial aid. This report includes regional comparisons, which include peer institutions from Arizona, Colorado, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming.

Executive Summary

- The average 2022-23 total cost of tuition, fees, housing, and food, prior to financial aid and other discounts was \$20,710 at doctoral universities, 8% lower than regional peers, \$15,688 at Minot State University (master's), 19% lower than regional peers, and \$16,433 at four-year universities, 7.5% lower than regional peers. The average at two-year colleges was \$13,829, which continues to track above regional comparisons. (Chart 1)
 - The 2022-23 housing and food rates at all state doctoral, masters, and four-year universities were significantly lower than regional peer averages, while two-year colleges continue to be above their regional counterparts.
- Basic needs, which are comprised of living expenses such as housing, food, transportation, daycare, books, supplies, and other personal expenses, accounted for 67% of the estimated costs in 2022-23. (Chart 2)
- Of all the aid disbursed in the past 5 years, 60% was in the form of student loans or Federal Work Study, institutional scholarships and waivers 17%, federal grants 13%, state funded scholarships and grants 6%, and private scholarships 4%. (Chart 3)
- In 2021-22, 61% of all NDUS students received some type of financial aid.
 - Of the aid disbursed, 57% was in the form of self-help aid (loans and work), below the 5-year average.
 - Forty-three percent of the aid disbursed was from non-repayable grants, scholarships, and tuition waivers. These non-repayable aid sources increased 3% from the prior year. (Chart 4)
- Federal student loan and grant aid within the NDUS in 2021-22 totaled \$140.16 million. This was a 16.5% decrease from 5 years earlier. (Chart 5 and Table 1)
- All NDUS institution types saw a reduction in total federal loan amount borrowed, number of borrowers, and number of borrowers compared to headcount from 5 and 10 years prior to 2021-22. (Table 3)
- Alternative student loan borrowing has been increasing while federal student loan borrowing has been decreasing. Parent PLUS loan borrowing has also increased, while Perkins Loan volume decreased to \$0 with the expiration of that federal program. (Chart 6 and Table 4)

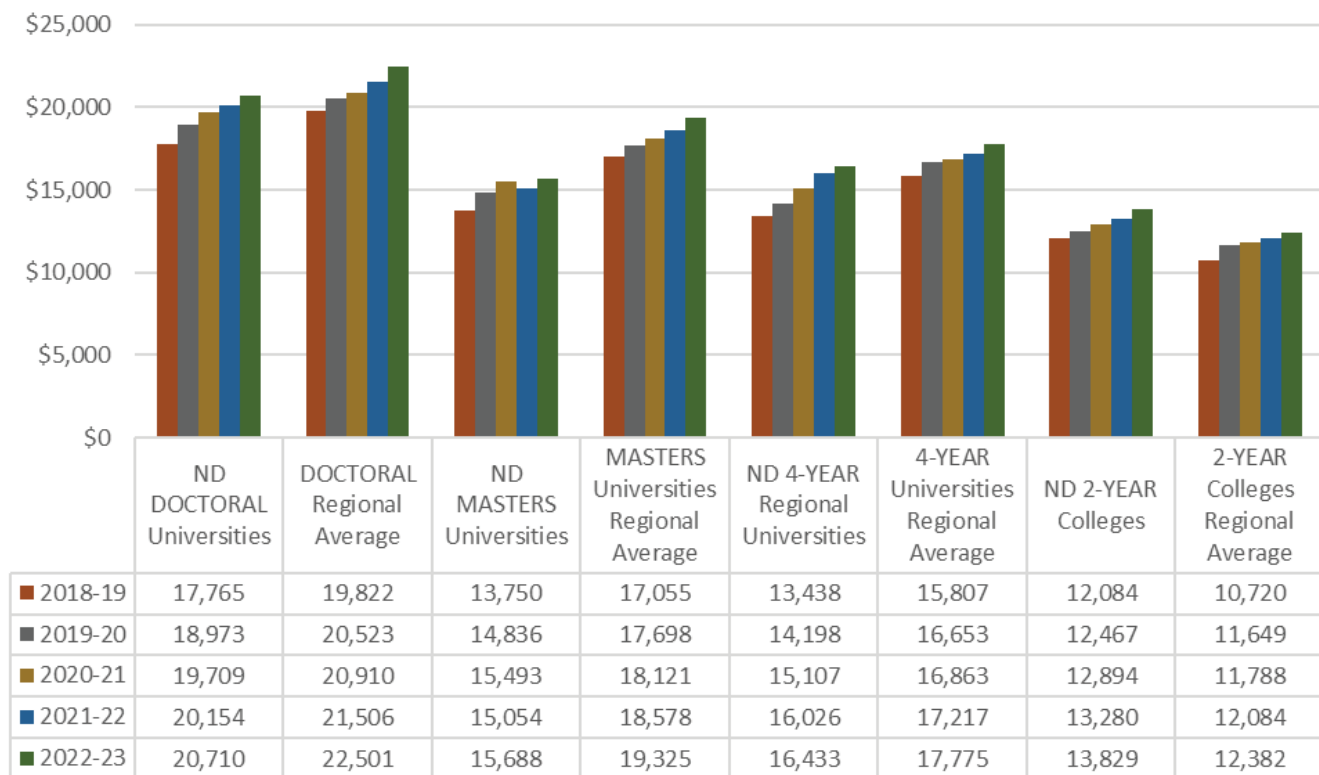
- Student loan indebtedness for 2022 NDUS graduating undergraduates decreased by 0.6% from 2021, averaging \$28,947. According to The College Board, nationally, the average loan debt among bachelor's degree recipients is \$29,100. (Chart 7)
- Grants, scholarships, and waivers totaled \$121.4 million in 2021-22, an increase of 3.2% from the prior year. (Chart 8)
 - Institutional scholarships totaled \$40.1 million, a 9% increase from the prior year.
 - Private scholarships totaled \$13.2 million, a 7% increase from the prior year.
 - Federal grants totaled \$33.7 million, a 1% decrease from the prior year.
 - Tuition waivers totaled \$15.9 million, a 7% decrease from the prior year.
 - State grants and scholarships were \$18.5 million, an 8% increase from the prior year.
- In 2021-22 All scholarships, grants, and waivers covered 47% of gross tuition. When housing and food, and mandatory fees are added, the coverage drops to 33%. Self-help aid (student loans and Work Study) helps to fill the gap. Seventy-six percent of gross tuition, fees, housing and food charges are covered by all aid sources (scholarships, grants, waivers, loans, work.)
- On average over a 5-year period, Post 9/11 GI Bill benefits and Department of Defense Tuition Assistance contributed an additional \$7.2 million annually to 1,701 students. (Table 6)
- The lowest income earners (\$0-\$30K) had comparable net price to regional peer institutions at the NDUS 4-year universities and 2-year colleges. Middle income earners (\$48,001-\$75K) paid less net price at the NDUS 4-year universities and similar net price at the 2-year colleges compared to regional peer institutions. Net price for NDUS doctoral universities was above regional peers for both low income and middle-income categories. (Chart 11a and 11b)
- Lower income families require a greater percentage of their income to cover estimated net price at NDUS institutions compared to middle income families. (Table 7)

Tuition, Mandatory Fees, Housing and Food

The average tuition, fees, housing, and food for NDUS doctoral universities, masters universities, and four-year regional universities is less than the regional peer institutions in 2022-23. The two-year college cost trend continues to be above the regional comparisons. Regional comparisons include peer institutions from Arizona, Colorado, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming. The following table details estimated student cost.

Chart 1

NDUS Average Resident Undergraduate Tuition, Fees, Housing & Food



Cost of Attendance

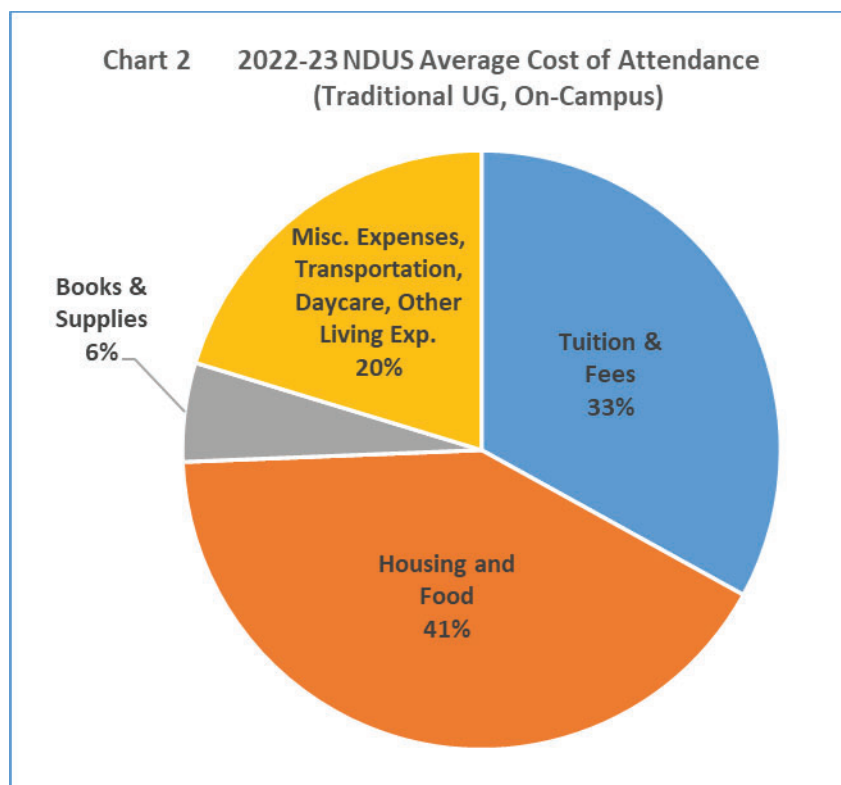
Basic needs impact a student's ability to afford college. As NCAN noted, *"Although tuition is often at the forefront when "paying for college" comes up, college affordability goes well beyond tuition and fees covered by financial aid. Expenses like purchasing textbooks and other course materials, housing and transportation, childcare, health insurance, and other personal expenses are also relevant."* [Breen, S. (2021, November 17). *College affordability fast facts: Tuition is not enough* - NCAN.

<https://www.ncan.org/news/586889/College-Affordability-Fast-Facts-Tuition-Is-Not-Enough.htm>].

These costs can vary by campus, program, and individual student. A look at the NDUS 2022-23 cost of attendance (COA) components, which are used in awarding financial aid, shows that housing, food, and other living expenses, such as transportation, daycare, and other personal expenses, account for 67% of a traditional undergraduate student's estimated budget to attend college, as shown in Chart 2.

These basic needs have a real impact on affordability.

NDUS institutions have been able to reduce the estimated cost of books and supplies over the years. In 2015-16, the average NDUS financial aid COA component for books and supplies was \$1,084. In 2022-23, the average is \$1,009. The system's use of open educational resources, which offer low-cost/no-cost textbooks, makes a positive impact for students.



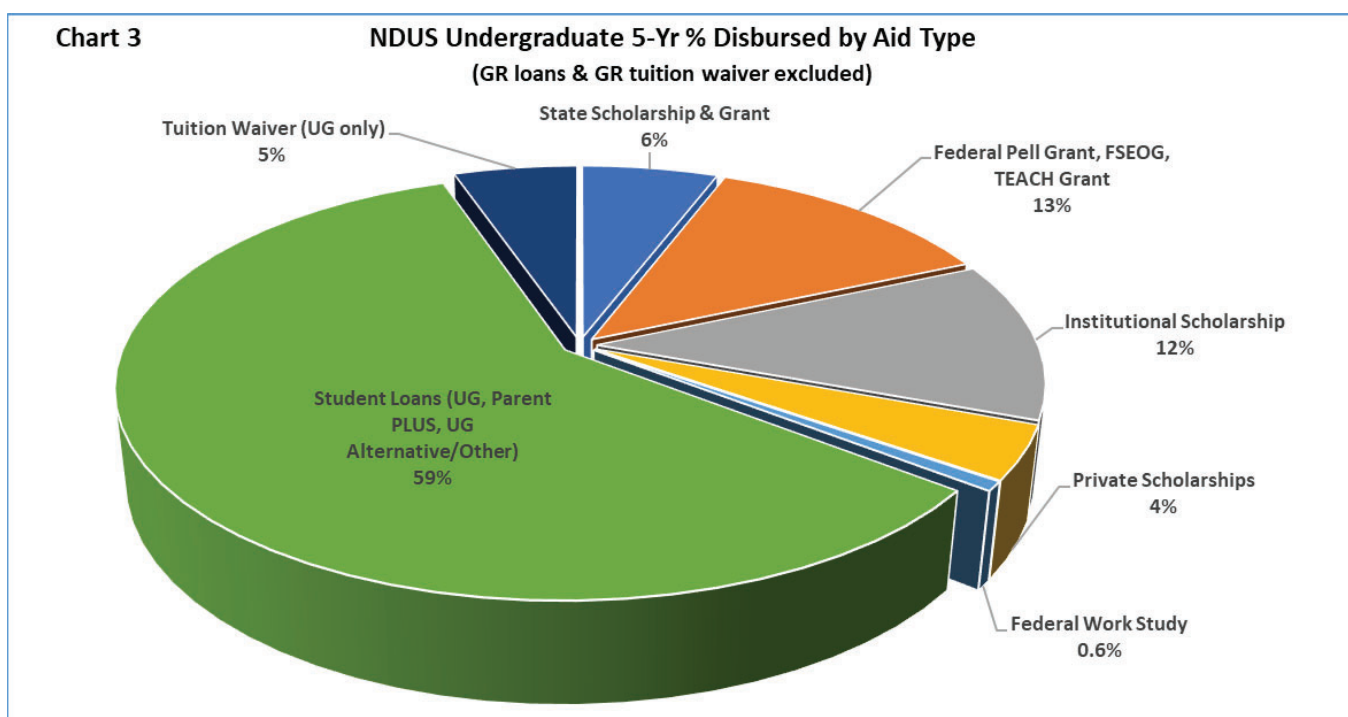
Financial Aid Overview

In addition to costs, college affordability is dependent on the availability of financial aid. Financial aid includes, but is not limited to, federal and state grants, federal work study, and federal and private student loans, institutional assistance, private scholarships, and military benefits. This report focuses on these sources of aid.

In 2021-22, 61% of all NDUS undergraduate students received some form of financial aid from one or more sources. This is on-target with national rates for public institutions (63%). The majority of the NDUS institutions rank below the national average for percentage of undergraduate students receiving scholarships and grants, but above the national average for federal student loans. This may point toward the need for ongoing discussions promoting state, federal and private non-repayable grants, and scholarship resources for students. However, without a deeper review of this data, the cause cannot be fully determined. For example, NDUS 2-year institutions have a high focus on early entry/dual credit enrollment, which may be a factor in the lower percentage of scholarships and grants provided to students. Additionally, Pell Grant eligibility is based on federal formulas and is not reflective of institutional choices, but rather, student eligibility.

During the 5-year period through 2021-22, approximately 60% of all aid received was in the form of self-help aid, which includes federal and private alternative student loans, Parent PLUS Loans, and Federal Work Study. The remainder came from various sources of federal, state, institutional and private grants, scholarships, and waivers. Federal grants (Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and TEACH Grant) accounted for 13%, NDUS tuition waivers 5%, institutional scholarships 12%, state aid programs 6%, and private scholarships 4%.

Parent PLUS Loans are loans issued to parents to pay for college expenses for their dependent children. Parent PLUS Loans accounted for 5% of total student loans issued to undergraduate students from 2017-18 through 2021-22. Alternative student loans are issued directly to students, however, often require a qualifying co-signer. Alternative/other student loans accounted for 32% of all student loans disbursed to undergraduate students during this time. The remainder of the student loans, 63%, were issued through federal student loan programs.

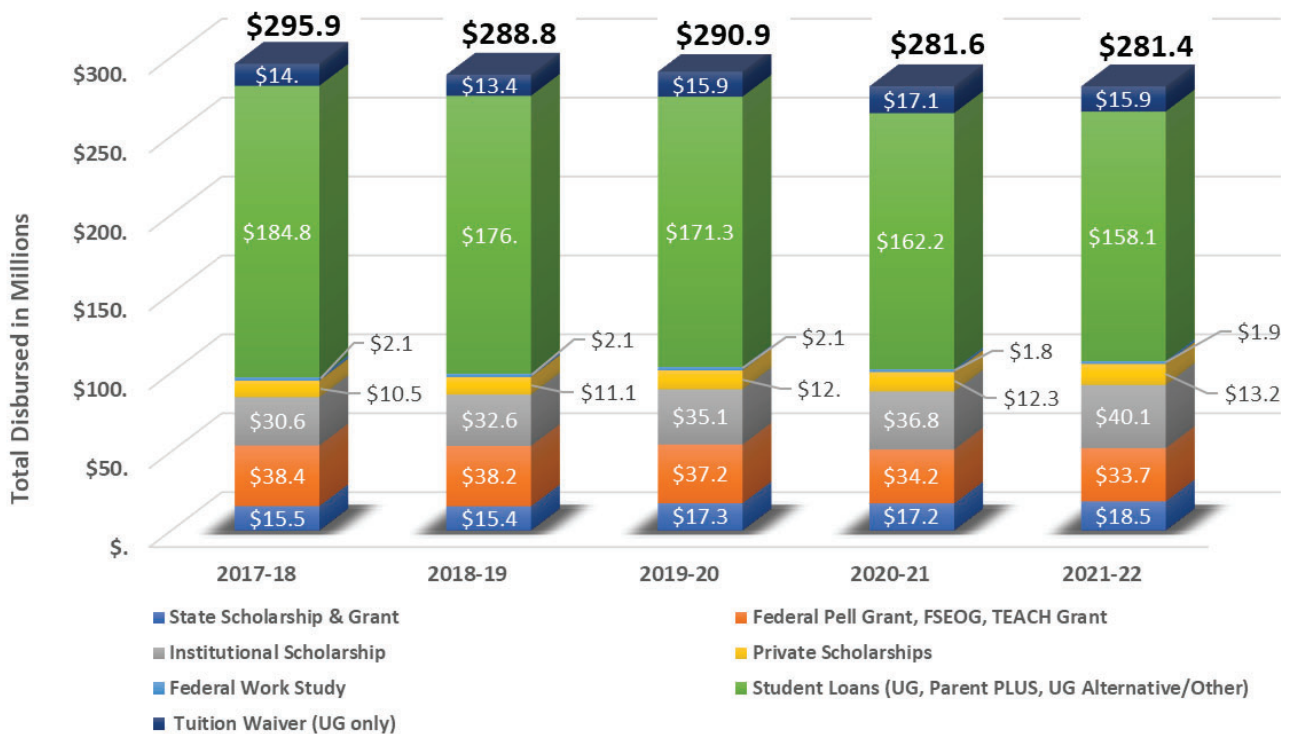


In 2021-22 NDUS institutional scholarships and tuition waivers shown in Chart 4 accounted for 20% of all aid disbursed, which is above the 5-year NDUS average of 17%. Self-help aid (student loans and work), accounted for 57% of aid disbursed in 2021-22, below the 5-year average of 60%. Federal Pell Grant, FSEOG and TEACH Grants accounted for 12%, state scholarships and grants 7%, and private scholarships 5%, all similar to the 5-year averages.

Chart 4

NDUS 5-Yr Undergraduate Dollars Disbursed by Aid Type

(GR loans & GR tuition waiver excluded)



Federal Financial Aid

Federal financial aid plays an important role in affordability for students; however, it has been declining in the past 10 years. This section focuses on the following federal aid sources for undergraduate students. Graduate aid is excluded when possible.

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Work Study (FWS)
- TEACH Grant
- Perkins Loan (program expired 9/30/2017)
- Federal Students Loans (Subsidized, Unsubsidized, Parent PLUS)

The Pell Grant, FSEOG, FWS, Federal Subsidized Loan, and the Perkins Loan are all based on financial need. Subsidized Loans do not accrue interest while a student is enrolled at least half-time, or during periods of deferment, while Unsubsidized Loan interest begins accruing on the date of disbursement. The federal TEACH Grant is different from other federal grants because it requires students to complete a specific teaching service obligation as a condition of receiving the grant. Students failing to meet the criteria have the grant converted to a loan, that must be repaid with interest. As of March 13, 2020, federal student loan interest accruals and loan payments were suspended under COVID-19 Emergency Relief. Students currently have a 0% interest rate and suspension of loan payments on federal student loans. The pause is in effect until 60 days after June 30, 2023, at which time students will be required to restart loan payments.

System-wide, all federal aid categories declined, or showed no significant increase, compared with 5 and 10 years earlier, as shown in Chart 5. Federal student loan volume decreased by 17% from 2016-17 to 2021-22 and had decreased by 13% in the previous 5-year period. In the 2021-22, NDUS institutions disbursed \$5.8 million less in Pell, FSEOG, Perkins, TEACH Grant and Federal Work Study than 5 years earlier, a 15% drop. The considerable drop in these sources is contributed primarily to Perkins Loan program no longer being federally funded. The last year that Perkins Loans were issued was in 2017-18, leaving a gap for the neediest students. Additionally, headcount has declined over this period. Further, need-based federal aid is dependent upon the student qualifying, not necessarily on institutional award policy.

Chart 5 NDUS Undergraduate Federal Student Loan and Grant Aid Volume

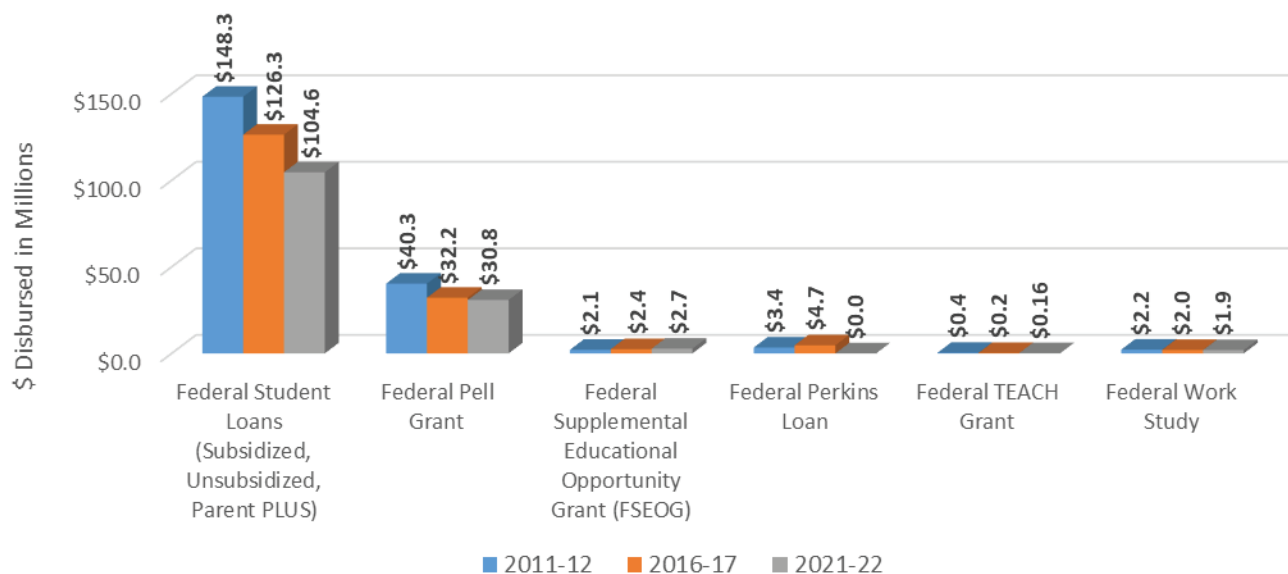


Table 1 - History of Undergraduate Federal Loan and Grant Aid Volume (Millions of Dollars)							
	2011-12	2016-17	2021-22	2011-12 vs 2021-22 (10-year)		2016-17 vs 2021-22 (5-year)	
Doctoral (NDSU, UND)							
Federal Student Loans (Subsidized, Unsubsidized, Parent PLUS)	\$95.9	\$84.3	\$70.7	-\$25.1	-26.2%	-\$13.5	-16.0%
Federal Pell Grant	\$20.3	\$17.4	\$16.0	-\$4.3	-21.1%	-\$1.4	-8.1%
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$1.4	\$1.7	\$1.8	\$0.5	34.7%	\$0.2	10.3%
Federal Perkins Loan	\$2.4	\$3.5	\$0.0	-\$2.4	-100.0%	-\$3.5	-100.0%
Federal TEACH Grant	\$0.2	\$0.12	\$0.09	-\$0.1	-46.1%	-\$0.02	-19.9%
Federal Work Study	\$1.5	\$1.4	\$1.3	-\$0.2	-15.6%	-\$0.1	-7.2%
Four-Year (DSU, MaSU, MiSU, VCSU)							
Federal Student Loans (Subsidized, Unsubsidized, Parent PLUS)	\$23.9	\$20.3	\$17.7	-\$6.2	-26.0%	-\$2.6	-12.9%
Federal Pell Grant	\$7.9	\$6.4	\$6.9	-\$1.0	-12.2%	\$0.5	8.0%
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$0.4	\$0.4	\$0.5	\$0.1	24.0%	\$0.1	19.8%
Federal Perkins Loan	\$0.7	\$0.9	\$0.0	-\$0.7	-100.0%	-\$0.9	-100.0%
Federal TEACH Grant	\$0.2	\$0.1	\$0.1	-\$0.1	-62.8%	-\$0.01	-9.4%
Federal Work Study	\$0.4	\$0.4	\$0.38	\$0.004	1.1%	-\$0.03	-7.2%
Two-year (BSC, LRSC, WSC, NDSCS, DCB)							
Federal Student Loans (Subsidized, Unsubsidized, Parent PLUS)	\$28.6	\$21.8	\$16.2	-\$12.4	-43.2%	-\$5.6	-25.6%
Federal Pell Grant	\$12.2	\$8.4	\$7.9	-\$4.2	-34.9%	-\$0.4	-5.1%
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$0.3	\$0.4	\$0.4	\$0.1	21.0%	\$0.03	8.9%
Federal Perkins Loan	\$0.3	\$0.3	\$0.0	-\$0.3	-100.0%	-\$0.3	-100.0%
Federal TEACH Grant	\$0.0	\$0.0	\$0.0	n/a	n/a	n/a	n/a
Federal Work Study	\$0.3	\$0.21	\$0.19	-\$0.1	-31.5%	\$0.0	-10.2%
NDUS Total							
Federal Student Loans (Subsidized, Unsubsidized, Parent PLUS)	\$148.3	\$126.3	\$104.6	-\$43.7	-29.4%	-\$21.7	-17.2%
Federal Pell Grant	\$40.3	\$32.2	\$30.8	-\$9.5	-23.5%	-\$1.3	-4.1%
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$2.1	\$2.4	\$2.7	\$0.6	30.6%	\$0.3	11.6%
Federal Perkins Loan	\$3.4	\$4.7	\$0.0	-\$3.4	-100.0%	-\$4.7	-100.0%
Federal TEACH Grant	\$0.4	\$0.2	\$0.16	-\$0.2	-54.6%	-\$0.03	-15.9%
Federal Work Study	\$2.2	\$2.0	\$1.9	-\$0.3	-14.7%	-\$0.2	-7.5%

Graduate and Professional students excluded when possible; Excludes Graduate PLUS, private, institutional loans.
Federal Loans include: FFELP and Direct Subsidized, Unsubsidized and Parent PLUS.

The Federal Pell Grant, while showing an increase to the annual award amount, has not kept pace with increases in inflation. According to The College Board, while the 2022-23 Pell increased by \$400, the largest 1-year gain since 2009-10, after adjusting for inflation, it declined by 2%. Additionally noted was that between 2012-13 and 2022-23 the maximum Pell Grant fell by 3% after adjusting for inflation. Since 2012-13, the maximum Pell Grant award has increased on average only \$134 per year, from \$5,550 in 2012-13 to \$6,895 in 2022-23. The College Board's annual report stated that in 2022-23, a full Pell Grant covers approximately 63% of published tuition and fees at public four-year institutions nationwide and 30% when adding in food and housing. [The College Board (2022), *Trends in College Pricing and Student Aid 2022*, <https://research.collegeboard.org/media/pdf/trends-in-college-pricing-student-aid-2022.pdf>] As inflation continues to raise the cost of living, students continue to shoulder more of their basic needs beyond tuition and fees, without sufficient financial aid support.

Table 2 - Maximum Pell Grant as a Percentage of Published Prices in 2022 Dollars (2002-03 to 2022-23, Selected Years)		
	Public Four-Year Institutions - National	
Academic Year	Maximum Pell Grant as a % of Tuition and Fees	Maximum Pell Grant as a % of Tuition, Fees, Housing & Food
2002-03	97%	41%
2007-08	70%	32%
2012-13	64%	31%
2017-18	59%	28%
2022-23	63%	30%
Source: College Board Trends in College Pricing 2022, Figure SA-16		

Annual Student Loan Disbursements

Federal student loan borrowing among NDUS students has declined over time. As shown in Table 3, the decline in the number of borrowers has outpaced the decline in headcount at the NDUS institutions. So, while federal loans are declining as is headcount, more students are also electing to not borrow. It is important to note that Perkins Loan borrowing, which went to the neediest students, fell from \$4.2 million in 2010-11 to \$0 beginning in 2018-19 due to the federal program being eliminated, which accounts for some of the reduced borrowing.

Table 3 - Federal Undergraduate Student Loans - Loan Disbursements

Doctoral Universities (NDSU, UND)					
Year	Federal Loan Amount Borrowed (millions of dollars) ¹	Number of Borrowers ²	% of Borrowers/Total Headcount ³ Enrollment	Avg Annual Loan Per Borrower	Fall Degree-Credit Headcount ³
2011-12	\$98.2	16,142	68.9%	\$6,085	23,433
2016-17	\$87.7	14,535	62.5%	\$6,034	23,265
2021-22	\$70.7	10,458	52.5%	\$6,764	19,917
5-yr change	-19.3%	-28.0%	-10.0%	12.1%	-14.4%
10-yr change	-28.0%	-35.2%	-16.4%	11.2%	-15.0%
4-Year Universities Annual Loan Volume (DSU, MaSU, MiSU, VCSU)					
Year	Federal Loan Amount Borrowed (millions of dollars) ¹	Number of Borrowers ²	% of Borrowers/Total Headcount ³ Enrollment	Avg Annual Loan Per Borrower	Fall Degree-Credit Headcount ³
2011-12	\$24.6	4,373	55.4%	\$5,614	7,888
2016-17	\$21.2	3,666	53.0%	\$5,770	6,920
2021-22	\$17.7	2,841	43.2%	\$6,218	6,583
5-yr change	-16.5%	-22.5%	-9.8%	7.8%	-4.9%
10-yr change	-28.0%	-35.0%	-12.3%	10.8%	-16.5%
2-Year Colleges Annual Loan Volume (BSC, LRSC, DCB, NDSCS, WSC)					
Year	Federal Loan Amount Borrowed (millions of dollars) ¹	Number of Borrowers ²	% of Borrowers/Total Headcount ³ Enrollment	Avg Annual Loan Per Borrower	Fall Degree-Credit Headcount ³
2011-12	\$28.9	5,355	47.1%	\$5,390	11,380
2016-17	\$22.1	4,210	39.1%	\$5,261	10,776
2021-22	\$16.2	2,873	28.6%	\$5,647	10,042
5-yr change	-26.8%	-31.8%	-10.5%	7.3%	-6.8%
10-yr change	-43.8%	-46.3%	-18.4%	4.8%	-11.8%

¹ Undergraduate Federal Loans: Subsidized, Unsubsidized, Perkins and Parent PLUS Loans included; Graduate PLUS, Private/Other loans excluded.

² Borrowers may be duplicated if receiving more than one loan type.

³ Undergraduate fall degree-credit headcount excludes graduate students.

In contrast to federal loan borrowing declining, private educational student loan borrowing has been increasing, while the percentage of borrowers to total headcount for alternative loan borrowing has remained relatively unchanged from 2016-17 to 2021-22. The exception is for 2-year colleges, which show a 7.1% decrease in amount borrowed from 2016-17 to 2021-22. As previously noted, the exit of the Perkins loan has created a gap for students, who may be filling it with alternative loan borrowing. Parent PLUS Loan also have risen but comprise a smaller part of loan volume than alternative loans. This may suggest that families are selecting alternative student loan sources over the federal Parent PLUS Loan. Alternative student loans can be more flexible, as they can be awarded up to total cost of attendance while federal student loans have annual & lifetime caps. The annual maximum level of borrowing for federal loans is \$5,500 for freshmen; \$6,500 for sophomores; and \$7,500 for juniors/seniors. These caps have not been increased since 2008. Federal student loan borrowing is often viewed and encouraged to be the first source of loan borrowing. The percentage of NDUS students seeking federal loans reflects this. In 2021-22, 60% of loan borrowing was from the federal programs, 34% from alternative loans and 6% from Parent PLUS. Additionally, the percentage of federal loan borrowers to total headcount far-exceeded the percentage of alternative loan borrowers to total headcount. Alternative loans continue to be an important source of funding to fill the gap that some

students may have to pay for their education. Chart 6 shows the undergraduate borrowing trend of the various loan programs. Table 4 presents a historical view of alternative undergraduate student loan borrowing.

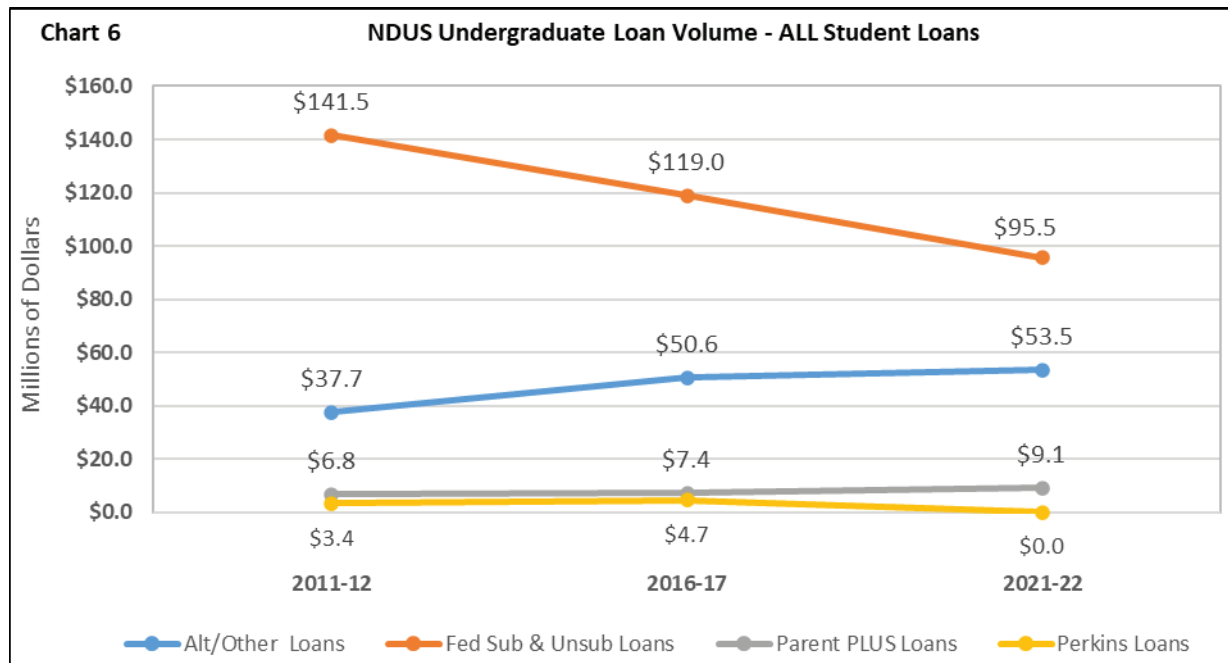


Table 4 - Alternative/Other Undergraduate Student Loans - Loan Disbursements

Doctoral Universities (NDSU, UND)					
Year	Alt Loan Amount Borrowed (millions of dollars) ¹	Number of Borrowers ²	% of Borrowers/Total Headcount ³ Enrollment	Avg Annual Loan Per Borrower	Fall Degree-Credit Headcount ³
2011-12	\$32.6	3,972	17.0%	\$8,196	23,433
2016-17	\$42.6	4,586	19.7%	\$9,297	23,265
2021-22	\$45.7	3,824	19.2%	\$11,963	19,917
5-yr change	7.3%	-16.6%	-0.5%	28.7%	-14.4%
10-yr change	40.5%	-3.7%	2.2%	46.0%	-15.0%
4-Year Universities Annual Loan Volume (DSU, MaSU, MiSU, VCSU)					
Year	Alt Loan Amount Borrowed (millions of dollars) ¹	Number of Borrowers ²	% of Borrowers/Total Headcount ³ Enrollment	Avg Annual Loan Per Borrower	Fall Degree-Credit Headcount ³
2011-12	\$2.2	442	5.6%	\$4,924	7,888
2016-17	\$3.2	507	7.3%	\$6,270	6,920
2021-22	\$3.3	464	7.0%	\$7,093	6,583
5-yr change	3.5%	-8.5%	-0.3%	13.1%	-4.9%
10-yr change	51.2%	5.0%	1.4%	44.0%	-16.5%
2-Year Colleges Annual Loan Volume (BSC, LRSC, DCB, NDSCS, WSC)					
Year	Alt Loan Amount Borrowed (millions of dollars) ¹	Number of Borrowers ²	% of Borrowers/Total Headcount ³ Enrollment	Avg Annual Loan Per Borrower	Fall Degree-Credit Headcount ³
2011-12	\$2.9	532	4.7%	\$5,519	11,380
2016-17	\$4.8	691	6.4%	\$6,905	10,776
2021-22	\$4.4	552	5.5%	\$8,028	10,042
5-yr change	-7.1%	-20.1%	-0.9%	16.3%	-6.8%
10-yr change	50.9%	3.8%	0.8%	45.5%	-11.8%

¹ Undergraduate alternative private student loans/other student loans only; excludes federal loans.

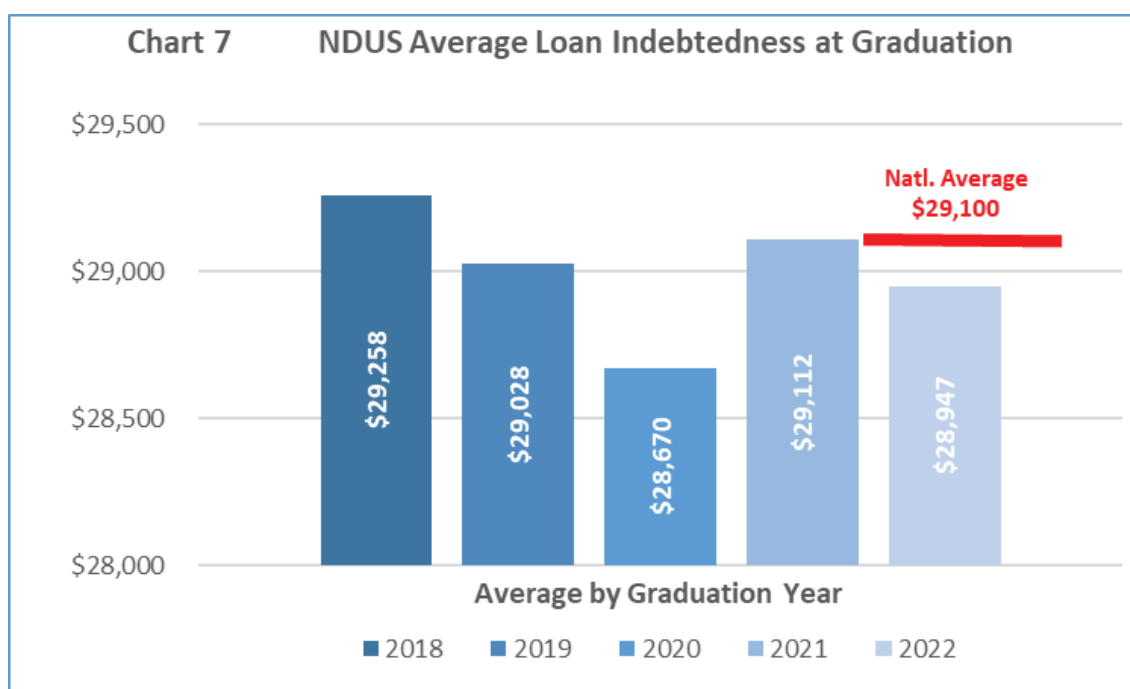
² Borrowers may be duplicated.

³ Undergraduate fall degree-credit headcount excludes graduate students.

Indebtedness at Graduation

Student loans, when borrowed conservatively and for real educational expenses, can assist students in their degree attainment goals. For some, borrowing helps to reduce the stress of working long hours while attending classes and doing homework, but it can also impact life decisions once graduates transition into the workforce. For this reason, loan indebtedness at graduation is an important topic to consider when discussing affordability.

Tracking and collection of graduate loan indebtedness is not mandated by federal regulation. To formulate a complete and consistent picture of indebtedness among NDUS graduates, NDUS data is obtained from system reports based on specific graduating cohorts of borrowing students and, the data includes all loan types (federal, alternative, and institutional loans). Parent PLUS loans are excluded as this debt is the responsibility of the parent who borrows a federal loan for their dependent student. The College Board noted in its *Trends in College Pricing and Student Aid 2022* report that 54% of bachelor's degree recipients in the U.S. graduated with student debt at an average of \$29,100. Chart 7 provides the average loan debt for non-transfer, first-time undergraduate students who started at an NDUS institution and who completed their program during the specified year. The NDUS average indebtedness is currently below the national average and has remained relatively constant in the past 5 years. The average indebtedness is only reflective of the graduates who borrowed and graduated within the specified year. The average loan indebtedness within the NDUS for all graduates, both those with and without student loans, was \$15,678 in 2022.

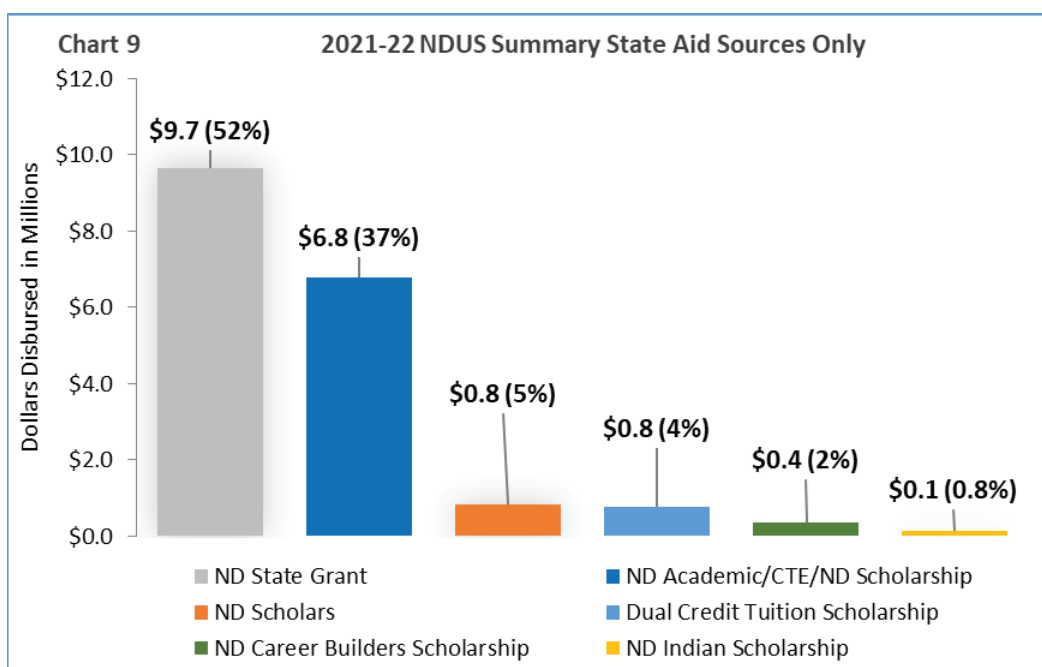
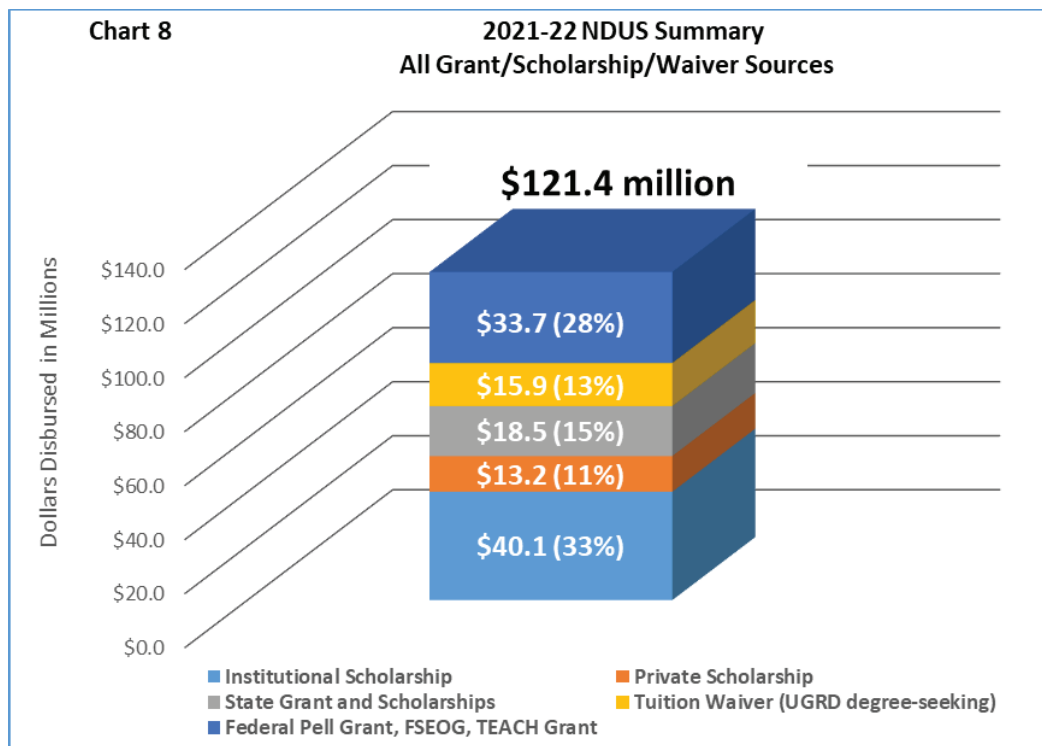


2021-22 Grants, Scholarships and Waivers

Federal financial aid is only one source of funding for students. Further contributing to affordability are state-funded grants and scholarships, tuition waivers, institutional scholarships, privately funded scholarships, among others.

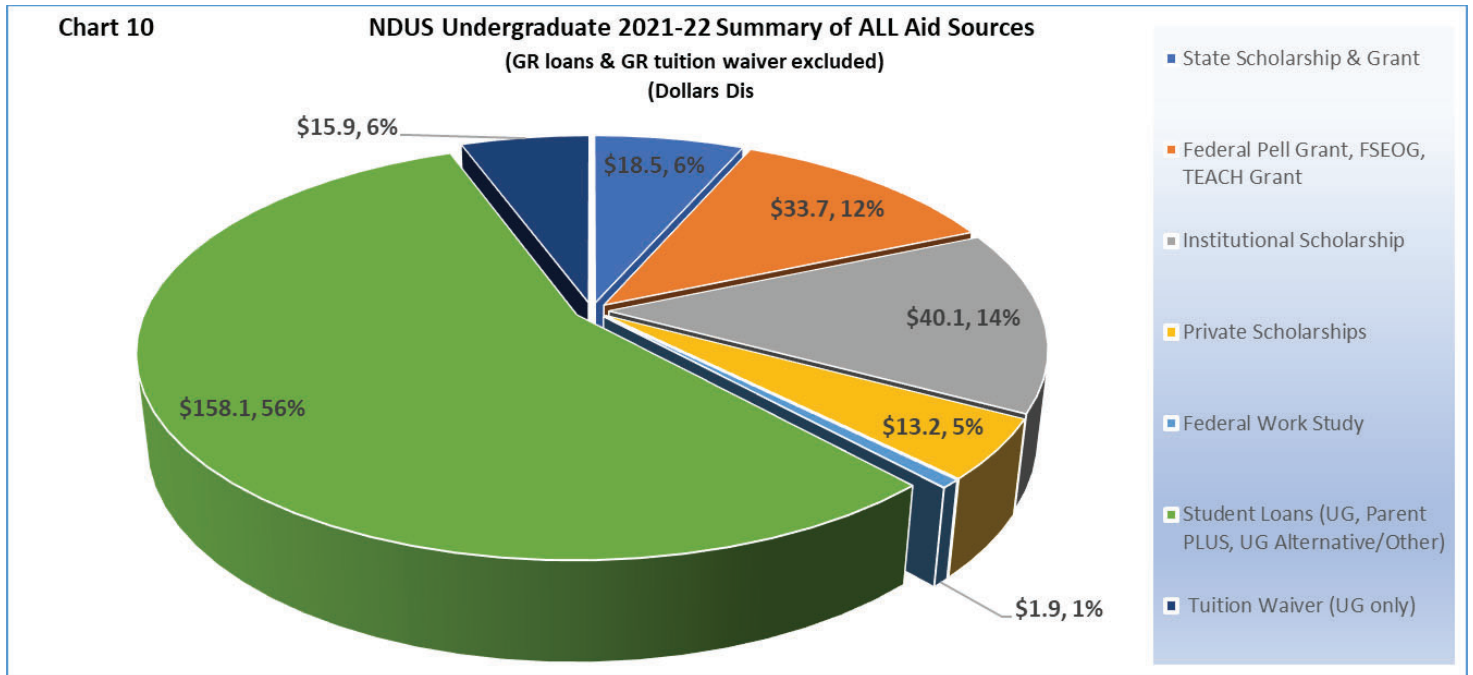
In 2021-22 federal grants (Pell, FSEOG & Teach) totaled \$33.7 million, a slight drop of \$.4 million from the prior year. Non-federal grants and scholarships, which include state funded programs, institutional scholarships, and privately funded scholarships, accounted for \$71.8 million, a \$5.4 million increase from

the prior year. Most of this increase came from institutional scholarships, which increased from \$36.9 million to \$40.1 million. Institutional scholarships are often funded through endowments and gifts to institutions for the benefit of students meeting specific requirements. Private scholarships increased by \$0.9 million and state aid by \$1.3 million. The largest state aid programs are the need-based ND State Grant and the ND Academic/CTE/ND scholarships. NDUS undergraduate tuition waivers further contributed to affordability at \$15.9 million, which was a 7% decrease from the prior year. Total grant, scholarship, and waiver sources in 2021-22 were \$121.4 million, an overall \$3.8 million increase from 2020-21.



2021-22 Total Financial Aid Disbursements and % of Cost Covered

Total disbursements of all undergraduate student financial aid in 2021-22, including loans, was \$281.4 million. Non-repayable scholarships, grants and waivers totaled \$121.4 million, while student loans and Federal Work Study totaled \$160 million. In 2021-22, scholarships, grants and tuition waivers covered 46% of gross tuition. When adding in housing, food, and mandatory fees, the coverage of gross charges was 32%. Self-help aid in the form of student loans and the Federal Work Study contributed to affordability by assisting students in meeting the gap.



State Financial Aid Programs and Appropriation

The various state-funded scholarships and grants for ND resident students have unique purposes but provide additional access to an affordable education. In 2021-22, the NDUS issued \$18.5 million in state-funded scholarships and grants to 11,728 resident students.

- The ND State Grant is need-based and assists the neediest resident students. Students must complete the FAFSA application annually to be considered. The state grant is the largest state-funded program. An average of 6,100 students are awarded per year.
- The ND Academic, CTE, and ND Scholarships are based on performance in high school and are awarded for achievement by the Dept. of Public Instruction following high school graduation. On average, 5,230 students are awarded each year.
- The ND Scholars program is the premier merit-based award in the state. Scholars are awarded based on their national testing scores on the ACT or SAT. Approximately 30 new students, plus returning upper classmen, are funded each year.
- The ND Indian Scholarship is based on ethnicity, awarded to resident American Indian students. Recipients can qualify for either a merit-based scholarship or a need-based scholarship. The 5-year average number of awardees is 274 per year.

- The Dual Credit Tuition Scholarship has a special purpose to provide an additional incentive. It provides a post-secondary scholarship of up to \$750 for students who completed dual credit coursework in high school. Dual credit classes provide a cost-effective way to take college classes while advancing degree completion while in high school. In the first biennium of this program (2021-23), 2,784 students have benefited from this scholarship.
- ND Career Builders is a workforce development program that encourages students to enroll in programs that lead to a certificate or degree that fills an in-demand occupation in the state. Students agree to live and work within North Dakota for a minimum of three years following program completion as a condition of the award. Scholarships funds from the private sector are matched with state funds to double the award, up to a maximum of \$17,000 per recipient. Since inception, over 206 students have benefited from this program, earning matched scholarships of \$1.6 million.

North Dakota's investment in financial aid has grown significantly since 2007. The 2009 Legislative Assembly established the ND Academic & CTE Scholarship and added nearly \$14 million to the need-based State Grant and ND Scholars program. Since that time, the state has continued to expand financial aid programs to assist ND resident students in accessing an affordable education. Table 5 shows the state-funded programs over the past 4 biennia. The ND Career Builders program and the Dual Credit Tuition Scholarship are funded through the Bank of ND, while the other programs are funded through the general fund. The state scholarships and grants were reduced as part of the 2015-17 allotment process, and the ND State Grant carry-over was further reduced by \$5 million by the 2017 Legislative Assembly. Additionally, \$2.5 million was transferred from the ND State Grant to the ND Academic and CTE Scholarship in the 2019-21 biennium to cover the shortfall of commitments in that program due to growth.

Table 5	Biennial Appropriations (in millions)							
	2007-09	2009-11	2011-13	2013-15	¹ 2015-17	2017-19	² 2019-21	² 2021-23
ND State Grant (Need-Based)	\$5.82	\$19.03	\$19.03	\$21.25	\$23.89	\$21.92	\$23.92	\$23.92
ND Academic/CTE/ND Scholarship (Merit-Based)	-	\$3.00	\$10.00	\$10.00	\$13.13	\$12.02	\$12.02	\$16.22
ND Scholars Program (Merit-Based)	\$1.48	\$2.11	\$2.11	\$2.11	\$2.11	\$1.81	\$1.81	\$1.81
ND Indian Scholarship (Merit or Need-Based)	\$0.38	\$0.38	\$0.57	\$0.65	\$0.65	\$0.56	\$0.56	\$0.56
ND Career Builders Scholarship (Workforce Development)	-	-	-	-	-	-	\$6.00	\$4.50
Dual Credit Tuition Scholarship (Special Incentive)	-	-	-	-	-	-	-	\$1.50
TOTAL	\$7.68	\$24.52	\$31.71	\$34.01	\$39.78	\$36.30	\$44.30	\$48.50

¹Post-allotment amounts

²ND Career Builders and Dual Credit Tuition Scholarship funded through BND profits

Other Sources

Federal, state, institutional and private sources of financial aid make up most of the financial aid for students, however, there may be other sources. A source of funding not previously mentioned is military benefits. The Post 9/11 GI Bill and the Dept. of Defense Tuition Assistance (DOD TA) are a significant source of financial aid for NDUS students. In 2020-21, IPEDS reported that these benefits were provided to 1,330 undergraduate NDUS students in an amount of \$6.8 million. Over a 5-year period through 2020-21, the average benefit provided was \$7.2 million to 1,701 students. IPEDS data lags by one year and therefore, the 2021-22 data was not yet available at the time of this report and therefore is not incorporated into the other charts in this report.

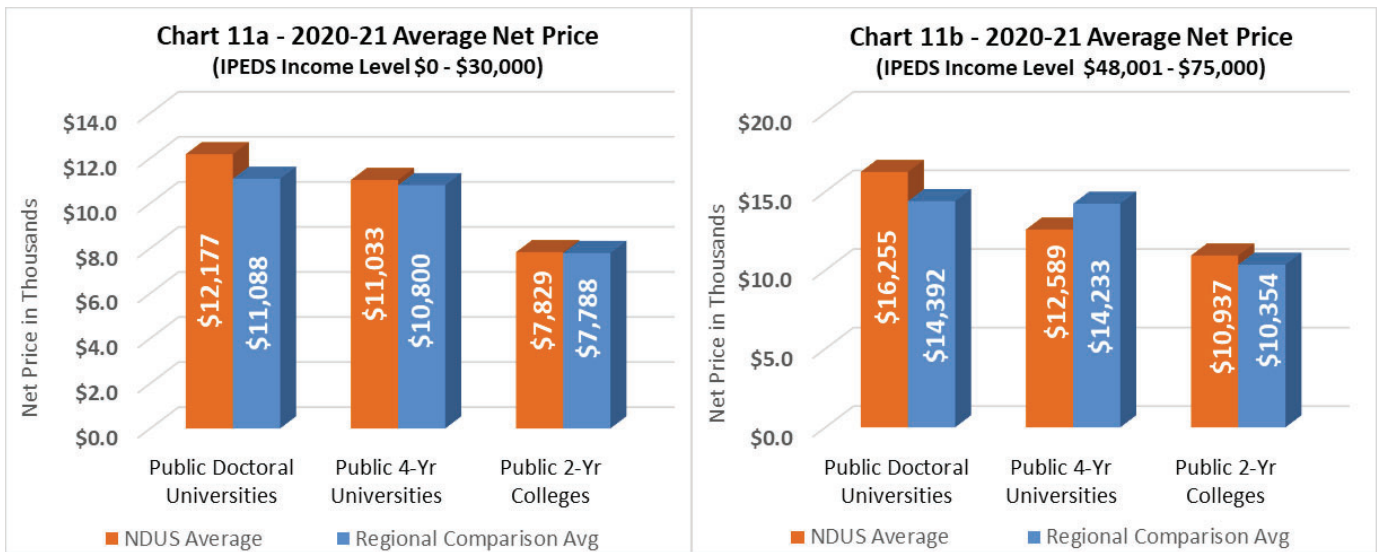
Institution	Table 6 - IPEDS Reported Undergraduate 9/11 GI Bill Benefits & DOD Tuition Assistance									
	2020-21		2019-20		2018-19		2017-18		2016-17	
	#	\$	#	\$	#	\$	#	\$	#	\$
BSC	143	\$ 402,499	186	\$ 506,504	193	\$ 526,241	224	\$ 733,174	242	\$ 702,001
DSU	32	\$ 167,892	22	\$ 129,371	35	\$ 146,234	34	\$ 144,660	32	\$ 145,404
LRSC	95	\$ 164,153	111	\$ 165,717	176	\$ 297,743	253	\$ 383,240	232	\$ 341,944
MASU	15	\$ 57,668	25	\$ 70,796	34	\$ 149,406	24	\$ 59,598	26	\$ 66,770
MISU	263	\$ 818,276	429	\$1,224,748	526	\$1,427,500	568	\$1,529,144	717	\$1,705,127
MISUB	33	\$ 65,512	43	\$ 75,095	52	\$ 77,755	50	\$ 70,353	85	\$ 106,756
NDSCS	36	\$ 145,584	37	\$ 149,000	45	\$ 169,661	66	\$ 184,450	60	\$ 173,717
NDSU	206	\$1,288,286	190	\$1,272,945	201	\$1,304,361	226	\$1,332,554	231	\$1,374,304
UND	479	\$3,601,906	427	\$3,064,045	413	\$2,732,450	397	\$3,097,892	432	\$3,171,375
VCSU	20	\$ 94,172	23	\$ 73,034	26	\$ 93,308	24	\$ 99,226	21	\$ 76,310
WSC	8	\$ 38,426	10	\$ 37,664	12	\$ 43,302	7	\$ 13,756	9	\$ 22,128
TOTAL	1,330	\$6,844,374	1,503	\$6,768,919	1,713	\$6,967,961	1,873	\$7,648,047	2,087	\$7,885,836
5-Yr Avg	1,701	\$7,223,027								

Counts may be duplicated if receiving both GI benefits and TA.

Net Price

Net price is a tool to help families pull projections together in order to determine estimated out-of-pocket cost after all scholarships and grants are applied to full cost of attendance. The full cost of attendance is the average tuition, fees, books, supplies, housing and food, transportation, and miscellaneous living expenses. Net price helps families estimate what they might owe, either through savings, work, or students loans, to attend their institution of choice. The net price data in this report represents the average for a full-time, first-time, degree-seeking undergraduate student paying in-state tuition rates, and who was awarded grant or scholarship aid.

In 2020-21, income earners below \$30,000 had a comparable average net price to the regional comparisons at the NDUS 4-year universities and 2-year colleges. For middle income earners between \$48,001-\$75,000, net price at NDUS 4-year universities was below the regional comparisons and comparable at 2-year colleges. At the doctoral institutions, the net price was slightly above the regional comparisons for both income categories. These results were similar to the 2019-20 data for the doctoral and 2-year institutions. In 2019-20, however, the 4-year universities were below their regional counterparts in both income categories. The IPEDS dollar ranges used in this report are similar to the 2021 bottom two income quintiles in ND, and to the median income level. The goal in conducting this comparison is to compare a lower income family to a middle-income family's ability to pay the net price. Regional comparisons include public four-year and public two-year institutions in Arizona, Colorado, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming.



While net price is a tool for cost comparison, it is also important to look at family income levels when discussing net price. A family's ability to pay may be better reflected by the percentage of income required to cover net price as shown in Table 7. Lower income families earning around \$30,000 require a greater percentage of their income to cover estimated net price at NDUS institutions compared to families earning an income of \$75,000. By focusing on need-based aid sources to lower income families, this gap can be narrowed.

Table 7					
% Of <u>\$30,000</u> Income Required to Cover Net Price			% Of <u>\$75,000</u> Income Required to Cover Net Price		
Institution Category	2020-21 Avg Net Price	% Of Income	Institution Category	2020-21 Avg Net Price	% Of Income
NDUS Doctoral Universities	\$12,177	41%	NDUS Doctoral Universities	\$16,255	22%
NDUS 4-Year Universities	\$11,033	37%	NDUS 4-Year Universities	\$12,589	17%
NDUS 2-Year Colleges	\$7,829	26%	NDUS 2-Year Colleges	\$10,937	15%



North Dakota University System

SBHE Budget and Finance Committee

Presented by:
HUB International Investment Services, Inc.

Securities offered through LPL Financial, Member FINRA/SIPC. Investment Advice offered through Global Retirement Partners, a registered investment advisor. Global Retirement Partners and HUB International are not affiliated with LPL.



Discussion

Introductions

Goals/Objectives of Committee

Next Steps: Phase I and II

Collection of Plan(s) Data/Documents

Fiduciary Training

Next Meeting Timing

Wholistic Retirement Support and Planning



HUB

Retirement & Private Wealth

By the Numbers



150+
locations nationwide



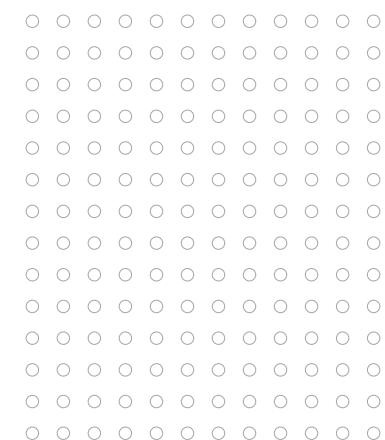
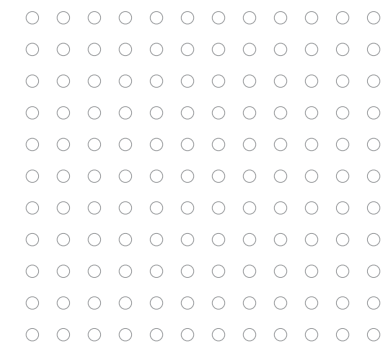
\$150B+
Assets Under Management



15,000+
Employees

HUB Retirement & Private Wealth Contacts

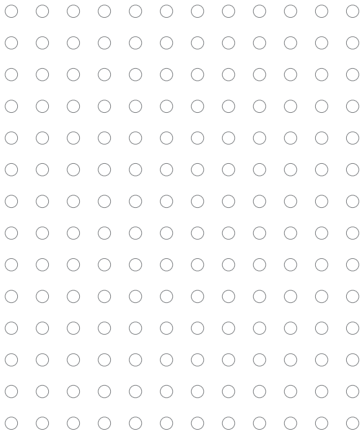
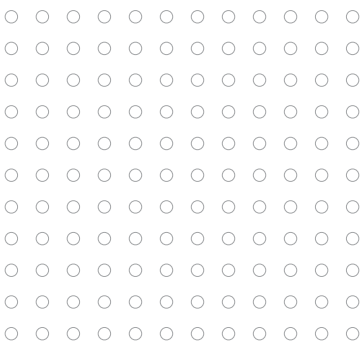
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Committee Coordination & Scheduling	Karlie Larsen Client Service Associate karlie.larsen@hubinternational.com



Agenda Plan Quarterly Meetings

Priority Topics for All Meetings

<div>Committee Business</div> <ul style="list-style-type: none">• Approve Prior Meeting Minutes• Review Action Items• Compliance & Important Deadlines• Training Opportunities	<div>Investment Due Diligence</div> <ul style="list-style-type: none">• Market Conditions & Asset Class Performance• Plan(s) Assets & Allocation• Investment Due Diligence & Recommendations	<div>Plan Sponsor Outstanding Projects</div> <div>(when applicable)</div> <ul style="list-style-type: none">• Status of Amendments & Plan Changes• Provider Analysis/Changes	<div>Employee Engagement</div> <ul style="list-style-type: none">• Plan 1:1/Group Meeting Summary• Nearing Retirement Resources• Monthly Webinars
Focus: Meeting 1	Focus: Meeting 2	Focus: Meeting 3	Focus: Meeting 4
<div>Legislative Updates</div> <ul style="list-style-type: none">• 2.0 Secure Act• 2023 Limits• Industry News	<div>Plan Design</div> <ul style="list-style-type: none">• Plan Review & Consulting• Peer Comparison & Industry Trends	<div>Plan Benchmarking</div> <ul style="list-style-type: none">• Service & Fee Benchmarking• Recordkeeper/TPA/Advisor Fees• Investment Management Fees	<div>Employee Engagement</div> <ul style="list-style-type: none">• Required Annual Notices• Review of Tools & Resources• Retirement Readiness
	<div>Plan Provider Review</div> <ul style="list-style-type: none">• Plan Demographics• Faculty and Staff Resources• Current projects		



HUB Retirement & Wealth Management Webinars

MARKET UPDATES

HUB- Bi-weekly Market Update Webinars

- Bi-weekly
- Investment Research Team
- Timely updates on the market conditions

Tuesdays (bi-weekly)

- 10:00 AM to 11:00 AM
- Mountain Time Zone

RETIREMENT COMMITTEE

Fiduciary Training Webinars

- Training for new committee members
- Refresher for existing members
- CE Credit for SHRM, HRCI

Thursdays, 1:00 PM MT

- July 27
- December 7

PARTICIPANTS

Financial & Retirement Planning Webinars

- Third Wednesday & Friday of each month
- 3 Areas of Focus:
 1. New to Retirement Plans
 2. Nearing Retirement (Over age 55)
 3. Financial Topics (Variety of topics)

June 21st & 23rd

- Roth vs. Pre-Tax Deep Dive
- Medicare
- Investment & Retirement Planning Basics

July 19th & 21st

- Market Update
- Long Term Care Planning
- Investment & Retirement Planning Basics



Action Items



TIAA Appointment & Phase 1



Next Committee Meeting



Employee Engagement Next Steps



Thank you.

Ready for tomorrow

Investment Disclosures

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Past Performance is not a guarantee of future results.

No strategy assures success or protects against loss.

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All indices are unmanaged and may not be invest into directly.

The views and judgments expressed are those of HUB Retirement and Wealth Management. They are subject to change at any time.

The economic forecasts set forth in this material may not develop as predicted and there can be no guarantee that the strategies promoted will be successful.

This material was created for educational and informational purposes only and is not intended as ERISA, tax, legal or investment advice specific to your needs, such advice services must be obtained on your own, separate from this educational material.

Investment Disclosures

Investing in stocks includes numerous specific risks including: the fluctuation of dividend, loss of principal and potential illiquidity of the investment in a falling market.

The prices of small cap stocks are generally more volatile than large cap stocks.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, some overseas markets may not be as politically and economically stable as the United States and other nations. International investing may not be suitable for all investors.

Investments in emerging markets can be more volatile. As mentioned above, the normal risks of investing in foreign countries are heightened when investing in emerging markets. In addition, the small size of securities markets and the low trading volume may lead to a lack of liquidity, which leads to increased volatility. Also, emerging markets may not provide adequate legal protection for private or foreign investment or private property.

Bonds are subject to market and interest rate risks. Bond prices generally fall when interest rates rise. Bonds are subject to availability and change in price.

High Yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.

Government bonds and Treasury bills are guaranteed by the U.S. Government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

Investments in commodities may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

The fast price swings in commodities can result in significant volatility in an investor's holdings.

11 Index Disclosures

U.S. Bonds as measured by the Bloomberg Barclays U.S. Aggregate Bond Index. The Bloomberg Barclays U.S. Aggregate Bond Index is composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$250 million.

U.S. High Yield Bonds as measured by the ICE Bank of America Merrill Lynch High Yield Index. The Intercontinental Exchange (ICE) Bank of America Merrill Lynch US High Yield Index is an unmanaged outstanding issue weighted index composed of below investment grade U.S. dollar denominated corporate bonds publicly issued in the U.S. domestic market.

U.S. Stocks as measured by the S&P 500 Index. The S&P 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

U.S. Small Cap Stocks as measured by the Russell 2000 Index. The Russell 2000 Index is a capitalization weighted index that measures the performance of the small-cap segment of the U.S. equity market including approximately 2000 of the smallest securities based on market capitalization.

International Stocks as measured by the MSCI Europe Africa and Far East (EAFE) Index. The MSCI EAFE Index is a free float-adjusted market capitalization weighted index designed to measure the developed markets' equity performance, excluding the U.S. & Canada, for 21 countries.

Emerging Market Stocks as measured by the MSCI Emerging Markets (EM) Index. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that measures emerging market equity performance of 22 countries.

Commodities as measured by the S&P Goldman Sachs Commodity Index (GSCI). The S&P GSCI Index serves as a benchmark for investment in the commodity markets and as a measure of commodity performance over time.



State Board of Higher Education Summary

1. **Issue:** FY24 salary ranges for Vice Chancellors & Senior Officers.
2. **Proposed actions:** Approve FY24 salary ranges for Vice Chancellors & Senior Officers.
3. **Background information:** SBHE policy 705.1 requires the SBHE "Executive Committee" to approve salary ranges based on relevant market data and salary increases based on performance and approved matrices. Salary ranges are based on 80-120% of the median of peer comparators. For Vice Chancellors & Senior Officers, CUPA-HR data for University System Offices is utilized. Further, salary increases are to be based on documented performance evaluations and availability of funding.

The attached FY2024 Compensation Plan document details how the NDUS System Office will implement legislative directed increases. No other market adjustments are being considered for FY2024. NDUS market data collection methodology & strategy is also explained. The plan addresses all System Office employees.

Page 3 of the document highlights the current market rates, proposed salary ranges, and resulting market position for the Vice Chancellors & Senior Officers.

4. **Financial implications:** Vice Chancellors' and Senior Officers' salaries are included within the System Office and Core Technology Services budgets.
5. **Legal/policy issues:** None
6. **Academic issues:** None
7. **Coordination:** NDUS Office
8. **Attachments:** Salary Matrices
9. **Contact information:** Mark Hagerott, Chancellor
10. **Chancellor's recommendation:** Chancellor Hagerott recommends approval of FY24 salary ranges.

NDUS System Office Compensation Plan

FY2024 Proposal

Legislative & Performance Increases

The Legislative Assembly provided funding for salary increases averaging 6% for FY2024. All employees in good standing are eligible to receive these adjustments. Increases must be based on performance and may not be awarded across-the board. The System Office will implement the law by using the following guidelines:

- Effective 7/1/2023, all non-probationary employees with satisfactory performance appraisals will receive minimum performance increases of 6%.

The NDUSO annual market analysis indicates that one System Office employee is paid at market levels. Most other positions are paid well below market. Current market status prior to applying the legislative 6% average increases is as follows:

- 5 employee is between 59.0– 64.9% of market.
- 7 employees are between 65 –69.9% of market
- 2 employees are between 70 – 74.9% of market.
- 1 employees are between 75 – 79.9% of market
- 3 employees are between 80 – 85% of market.
- 1 employee are between 86 – 90% of market.
- 2 employees are between 91 – 95% of market.
- 1 employees are between 96– 99.9% of market.
- 1 employee are at 100% of market or higher.

The approved legislative equity program has allowed the System Office to provide market equity compensation adjustments in FY23 to the majority of staff. Chancellor meets the criteria, but his position has been excluded from the adjustments. The SBHE will address his salary at the June 27th meeting. In FY2024 six percent adjustments, as allowable within legislative guidelines would be applied to each position. After the proposed average 6% increases, the average NDUS market position excluding the Chancellor's position would be 84.0%(currently at 75.8%), 12 positions would be paid at 70-80% of market; 6 would be at 80-100% of market and four employees would be at or above market, three of which are long-term employees.

NDUS Market Data Collection and Strategy:

- As per [SBHE broadband policy](#) and [HR pay policy 5](#), the System Office determines fair market salary for each position by conducting a consistent and thorough market analysis of each position on an annual basis.
- Salary data is pulled from CUPA—College and University Professionals Association- which is updated with salary information on an annual basis by campuses across the US, both public and private, who choose to submit salary data. CUPA captures only salary data not total compensation which would include retirement contributions, health insurance premiums and other benefits paid for the employee.
- Each NDUS position is matched to CUPA position descriptions (by job duties, not necessarily titles) to determine a market match within the following survey categories: administrative, professional, or staff (non-exempt).

- The System Office uses a national comparison group -- All doctoral research institutions and all university systems. Comparison groups list the institutions who participated in the survey and provided current salary data as of November 2022. Data is aged if extracted after that date.
- Comparison groups may also be pulled by Carnegie classification, budget size, geographical, student size—there are many options. Salary surveys can be pulled by a single position. Caution must be used in narrowing the groups too much, as the sample size may be small and search results skewed.
- The median is considered full market (100%). The median is the middle value of a series of values laid out in numerical order. It's the middle point of the data set. Half of the values will be less than the median, and half will be higher than the median
- Per Department of Justice Safe Harbor Guidelines, statistics will not display when the number of Institutions contributing data is less than 5 (too few data). Statistics will also not display when one institution's data comprise more than 25% of the total (unbalanced data; only applicable if incumbent—rather than institutional average—salaries are selected). If fewer than 10 institutions have provided data for a position, any percentiles provided are poor estimates at best, and extreme caution should be taken in their interpretation and use.

Vice Chancellors & Senior Officers

SBHE policy 705.1, requires the SBHE "Executive Committee" approve salary ranges based on relevant market data and salary increases based on performance and approved matrices. Salary ranges are based on 80-120% of the median of peer comparators. For Vice Chancellors & Senior Officers, CUPA-HR data for University System Offices is utilized, as previously described. Further, salary increases are to be based on documented performance evaluations and legislative funding. The following tables reflect current salaries after equity adjustments, market rates, salary ranges, and market position for these employees.

<i>2022-23 Market Data</i> <i>(CUPA-HR University System Offices/Admin 2023 Doctoral and System Office)</i>					
	(1)	(2)	(3)	(4)	(5)
	2022-23 Salary	Market	80% of Market	120% of Market	2022-23 Market Position
VC for Academic and Student Affairs	\$214,047	\$315,102	\$252,082	\$378,122	71%
Vice Chancellor for Administrative Affairs/Chief Financial Officer	\$216,108	\$311,445	\$249,156	\$373,734	73%
Vice Chancellor of Strategy and Strategic Engagement	\$183,256	\$240,590	\$192,472	\$288,708	78%
Vice Chancellor IT/CIO	\$214,783	\$262,986	\$210,389	\$315,583	86%
Chief of Staff	\$142,005	\$224,003	\$179,202	\$268,804	69%

<i>2023-24 Salary Recommendation</i>						
	(1)	(2)	(3)	(4)	(5)	
	Employee	2022-23 Salary	2022-23 Annualized Salary after Equity applied. 6-30-2023	Legislative 6% Increase	Proposed 2023-24 Salary	2023-24 Market Position
VC of Academic and Student Affairs	Johnson	\$214,047	\$225,047	\$13,503	\$238,550	76%
Vice Chancellor for Administrative Affairs/Chief Financial Officer	Krebsbach	\$216,108	\$227,108	\$13,626	\$240,734	77%
Vice Chancellor of Strategy and Strategic Engagement	Rostad	\$183,256	\$188,256	\$11,295	\$199,551	83%
Vice Chancellor IT/CIO	King	\$214,783	\$225,572	\$13,534	\$239,106	91%
Chief of Staff	Meyer	\$142,005	\$154,005	\$9,240	\$163,245	73%

Summary of Proposed Action SBHE Meeting – June 27, 2023

1. **Issue:** NDSCS has met the matching requirements to access the \$763,862 Tier II and Tier III 2021-23 capital building funds as designated in SB2003, section 6, and is requesting the NDUS System Office transfer the following amount to its capital building fund: \$500,695 Tier II and \$263,167 Tier III.
2. **Proposed motion:** Ratify Chancellor's approval of the transfer of \$500,695 and \$263,167, respectively, from the NDUS System Office Tier II and Tier III capital building fund appropriation line to the NDSCS capital building fund appropriation line.
3. **Background:** SB2003, section 6 provides \$19 million from the strategic investment and improvements fund. Tier II capital building fund pool requires \$1 in matching funds from operations or other sources for each \$1 in state funds. Tier III capital building fund pool requires \$2 in matching funds from operations or other sources for each \$1 in state funds. Carryover capital building funds have the same matching requirements. Funds transferred to an institution must be placed in that institution's capital building fund line item.

NDSCS will use the Tier II and Tier III dollars for deferred maintenance for Hass lab remodel, Walton and Schulz stair treads, parking lot seal coating, college complex roof replacement, Walton bathroom renovation, and projects under \$50,000 including cultural center rigging, diesel shop repairs, office remodel, boiler repairs, floor and painting projects. NDSCS will use appropriated and local reserves; private grant funds; and Coronavirus Relief federal funds from its HVAC replacement project to meet the match requirements.

4. **Financial implications:** The transfer assists NDSCS with deferred maintenance for Hass lab remodel, Walton and Schulz stair treads, parking lot seal coating, college complex roof replacement, Walton bathroom renovation, and projects under \$50,000.
5. **Academic implications:** None.
6. **Legal/policy issues:** None.
7. **Review Process:**
8. **Enclosures:**
9. **Contact person:** David Krebsbach, Vice Chancellor for Administrative Affairs, david.krebsbach@ndus.edu, 701-328-4116; Keith Johnson, Chief Financial Officer, keith.johnson@ndscs.edu, 701-671-2218.
10. **Chancellor's Recommendation:** Chancellor Hagerott recommends approval.