An Investment in a Brighter Future for North Dakota

Fulfilling a Dual Mission: The Roundtable on Higher Education charged the NDUS with a two-pronged mission: enhancing the quality of education and enhancing the economy of North Dakota.

Enhancing the Quality of Education

To sustain and further enhance the quality of education and to sustain broad and affordable access to post-secondary education for North Dakota citizens, the NDUS is requesting $63 million in increased base funding, which, when added to current base funding, is equivalent to 21 percent of projected 2007–09 state spending.

This solid base of state funding also will provide the foundation upon which the colleges and universities can leverage and generate additional direct external funding of at least three dollars for every one dollar invested by the state from federal, private and student sources.

A major portion of this base funding and the allocation thereof to the institutions is determined by the Long-Term Finance Plan methodology, which includes two major components: parity and equity funding.

Parity funding, or the cost to continue, is needed to sustain the current quality of academic and support service programs. It includes continuation of current year salary increases and cost increases in utilities, operating inflation, health insurance and salaries for the upcoming biennium.

Equity funding, determined by a comparison of each NDUS institution to similar institutions or peers, is needed to enhance programs and services to students and the state and to increase national competitiveness in attracting students, faculty and research investments.

On average, NDUS institutions are funded at about 50 percent of their peers. Individual institutional comparisons range from 41 percent to 87 percent of their peer benchmarks.

In addition to the $63 million base funding request, one-time funding requests to address deferred maintenance and technology needs also are included in the 2007–09 budget request.

Enhancing the Economy of North Dakota

The NDUS is actively engaged in two other major activities that contribute to the state’s economic growth:

- Economic Development Centers of Excellence, which focus on creation and support of industry clusters, resulting in new, high-quality employment and economic growth in North Dakota. $30 million in Phase II funding is requested in the Department of Commerce budget.

- Expansion of workforce training, which is needed to respond to an increased demand for business and industry training. This training is essential to sustaining and growing North Dakota’s business sector. Increased funding of $2.7 million for the training is requested in the Department of Career and Technical Education budget.
The Roundtable on Higher Education recognizes that an investment in the North Dakota University System is an investment in a brighter future for North Dakota.

Return on Investment

The roundtable concept emphasizing flexibility with accountability has unleashed the tremendous capacity of the University System. However, increased strategic investments will be needed to further realize the system’s full potential, along with continuation of the flexibility with accountability legislation. A $63 million base funding investment in the North Dakota University System will:

- Make it possible for the NDUS to keep annual tuition rate increases to no more than 5 percent per year in 2007–09;
- Provide increases in financial aid to help the most financially needy students, thereby increasing the likelihood of attendance and minimizing student debt;
- Provide a minimum of 5 percent annual salary increases for faculty and staff, recognizing their past and continued contributions to the success of the students and state;
- Help stabilize and enhance the functionality of the ConnectND system;
- Significantly increase capital asset funding to begin addressing the $117 million state facilities’ deferred maintenance backlog;
- Finance installation of a new super-computing research network (Northern Tier) to enhance North Dakota’s national competitiveness;
- Create flexible funding to develop new academic programs that will meet the state’s economic development needs;
- Create increased opportunities to recruit out-of-state and/or international students, resulting in short-term economic benefits and long-term economic dividends because about 25 percent of non-residents are employed in the state after graduation;
- Allow NDUS colleges and universities to make progress toward closing the gap between NDUS funding levels and those of their peers by investing $10 million in equity, thereby providing funds to address high-priority state and campus needs;
- Maximize federal and other matching fund opportunities in the EPSCoR program, generating three dollars of external funding for each state dollar invested.

A Message on Behalf of the Private Sector Roundtable

Members: The performance of our institutions has been exceptional and indisputable. As such, we again support the roundtable agreement to move higher ed funding back to a minimum of 21 percent of the state general fund budget.

– May 5, 2006, letter from Tom Shorma to Pam Kostelecky, 2005–06 State Board of Higher Education President

The Vital Link to a Brighter Future

A National Center for Higher Education Management Systems report ranks North Dakota among the top five state systems of higher education performers relative to the level of funding.

– December 2005

North Dakota University System

America’s national capacity for excellence, innovation and leadership in higher education will be central to our ability to sustain economic growth and social cohesiveness. Our colleges and universities will be a key source of the human and intellectual capital needed to increase workforce productivity and growth. They must also continue to be the major route for new generations of Americans to achieve social mobility.


The North Dakota Roundtable on Higher Education was created by the legislature in 1999 to ensure that higher education policy is closely linked to state priorities. The roundtable founders believed that a strong higher education system was critical to creating a stronger future for North Dakota. Instead of operating with multiple visions of what a university system should be and should do for the state, North Dakota has a common vision. Rather than multiple and conflicting expectations by stakeholders of higher education, a clear set of expectations have been agreed to and expressed through fiscal and performance accountability measures.