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# North Dakota University System

## 2019 Affordability Report



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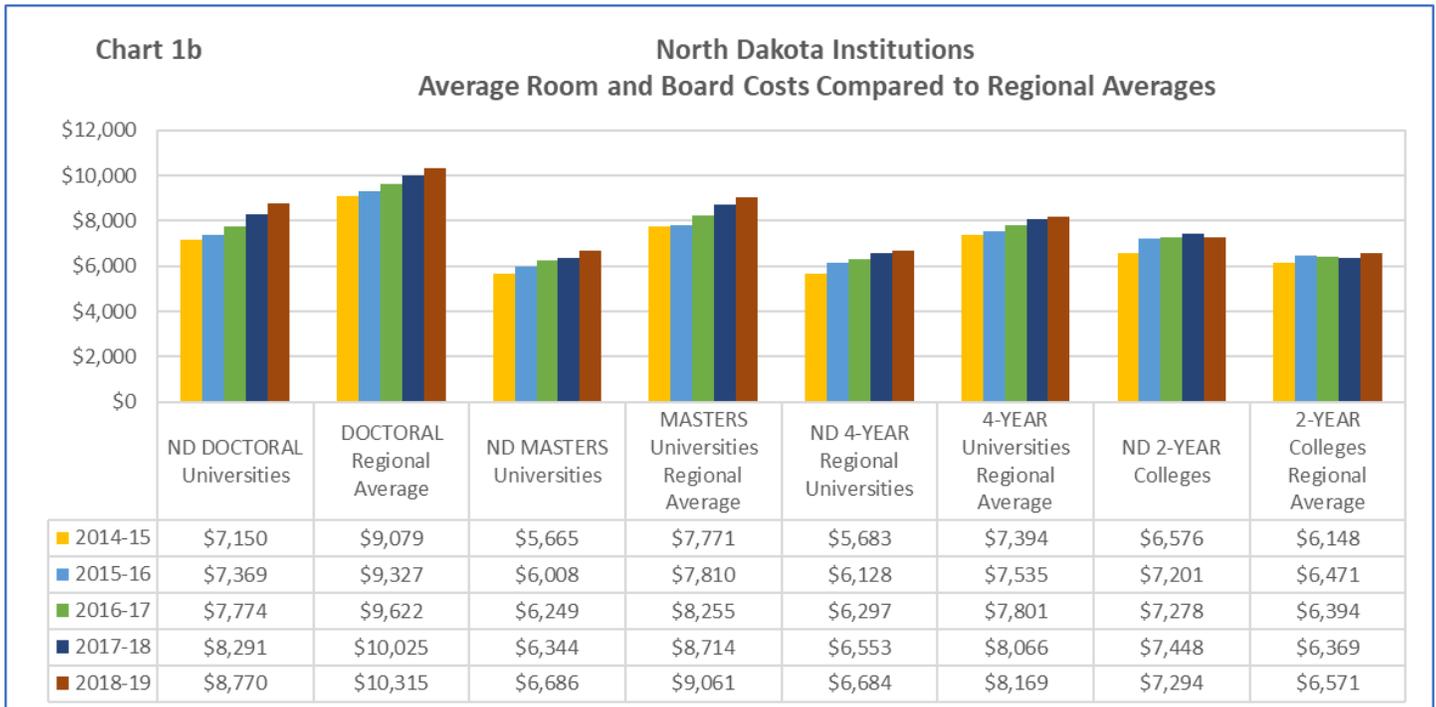
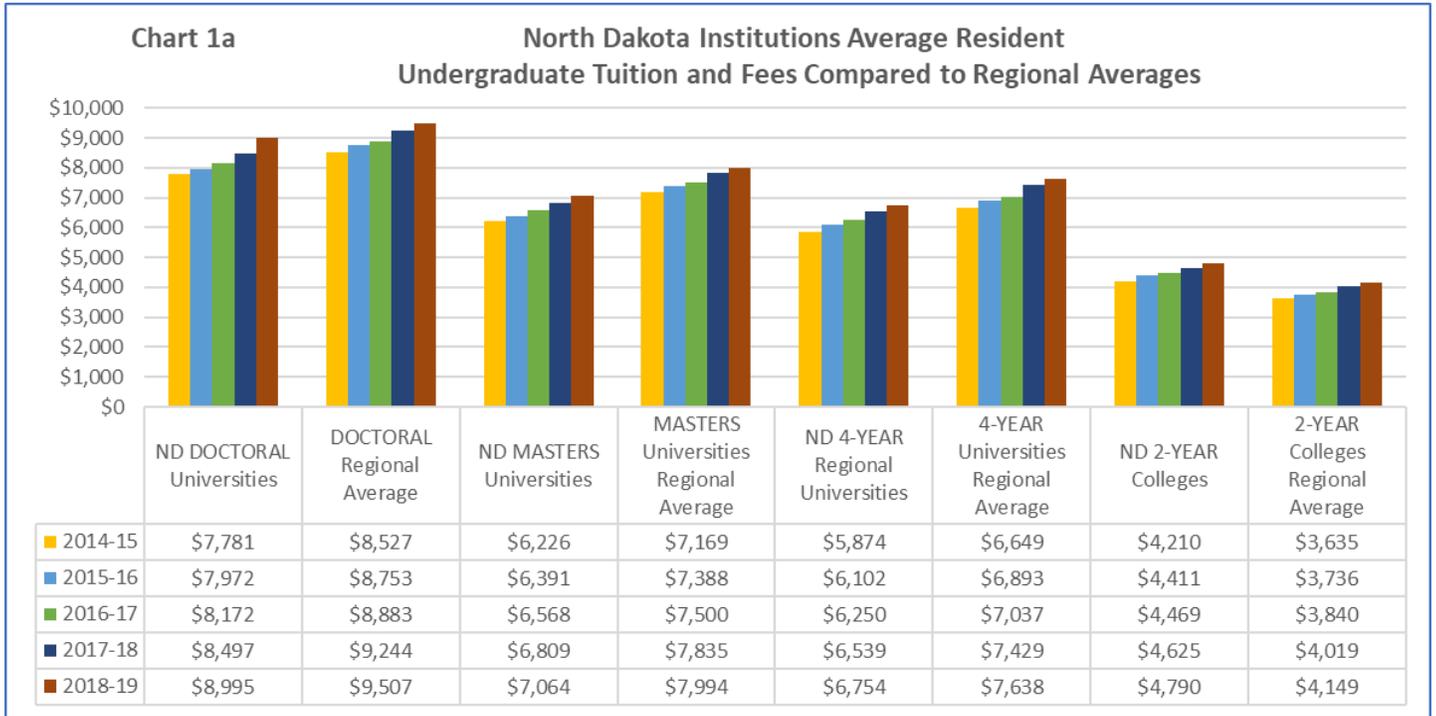
College affordability is a significant factor in student access, retention and completion. Tuition and fee rates are a major component of affordability, as is the availability of financial aid programs from federal, state, institutional and private sources. Strategically designed approaches to college affordability can better assist families in preparing for post-secondary education, accessing programs and attaining educational goals. This report outlines key affordability factors of the North Dakota University System (NDUS).

### Executive Summary

- The 2018-19 tuition and mandatory fee rates at the state doctoral (UND and NDSU) and regional four-year universities (Minot State, Mayville State, Dickinson State and Valley City State) were lower than the regional peers. (Chart 1a)
- Room and board rates at all doctoral and four-year universities were significantly lower than regional peer averages. (Chart 1b)
- NDUS two-year campus tuition, fees, and room/board rates continue to be higher than regional counterparts. (Charts 1a and 1b)
- The average 2018-19 student total cost, prior to financial aid and other discounts, was \$22,200 at doctoral universities, \$18,300 at Minot State, \$18,000 at the regional four-year universities and \$16,600 at two-year colleges. (Chart 2a)
- Tuition and mandatory fees comprised approximately 29% of total costs at two-year campuses, 38% at four-year universities and 40% at doctoral universities. Room and board accounted for approximately 44% of total costs at two-year campuses, 37% at four-year universities and 40% at doctoral universities. (Chart 2b)
- In 2017-18, 64% of total aid dollars disbursed were in the form of self-help aid (student loans and Work-Study), 32% came from various sources of grants and scholarships, and 5% from tuition waivers. This has been a consistent pattern over the past 5 years. (Chart 3)
- Federal campus-based grant (FSEOG), Pell Grants and Perkins loans awarded to NDUS students decreased by -\$2.2 million, or -5.1%, from 2012-13 to 2017-18. Federal student loans have experienced similar results over this five-year period, dropping by 8.6%. (Table 4a; Charts 4b-4d)
- Federal Work-Study awards declined slightly but appear to be stabilizing. The five-year award declined by -1.9%. The previous 5-year period showed a -8.2% reduction.
- Student loan indebtedness for 2017 NDUS graduates averaged \$29,275, an increase from the 2016 indebtedness of \$28,378 for all loan types (federal, Perkins, private alternative loans and other loans.) The Institute for College Access & Success reported a 2017 national indebtedness amount of \$28,650. (Chart 5)
- All NDUS universities and colleges saw a reduction in total loan amount borrowed and number of borrowers. Aside from a slight increase of .25% at four-year universities in the past five years, the number of borrowers to total headcount is also on a decline. (Table 6)
- Fifty-seven percent of NDUS undergraduate students received some type of financial aid disbursement in 2017-18. (Chart 7)
- Net Price at most NDUS campuses is below or comparable to regional counterparts. (Charts 8a and 8b)
- State, institutional and private scholarships and grants accounted for over \$56.6 million in awards to NDUS students in 2017-18. Tuition waivers and federal grants further contributed to affordability at \$14.0 and \$37.9 million awarded respectively. (Charts 9 and 10)

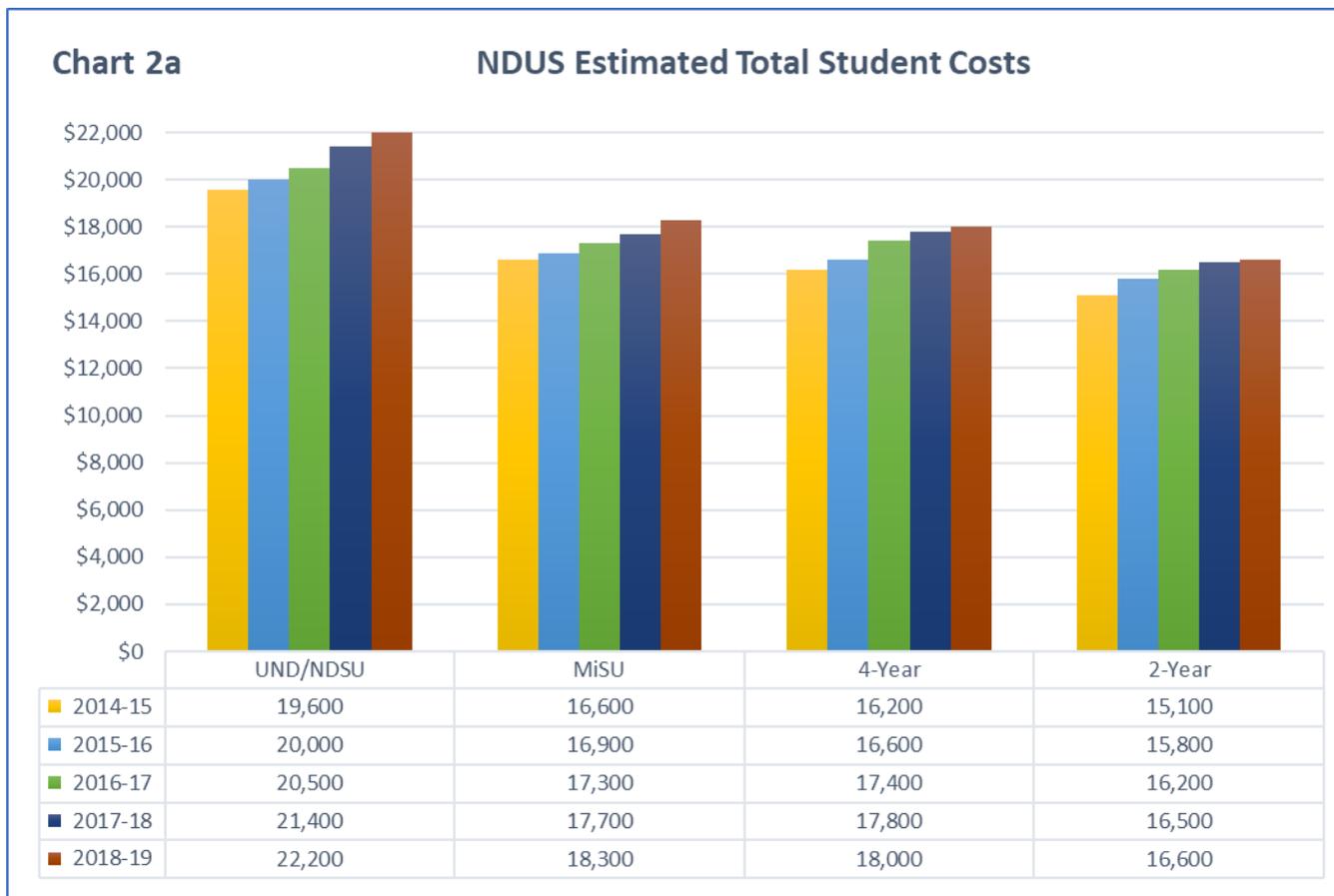
## Tuition, Mandatory Fees, Room and Board

The average of tuition and fees, and room and board for NDUS doctoral, masters and four-year universities continue to be less than the regional peer institutions in 2018-19. The two-year colleges for both categories of costs continue to trend 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.



## Estimated Total Student Cost

Estimated total student costs for 2018-19 range from \$16,600 at two-year colleges to \$22,200 at the research universities. Tuition and mandatory fees comprised 29% to 40% of total costs. Room and board represent another 36% to 44% of total cost. The remaining costs consist of educational-related indirect expenses, including books, supplies, transportation. Actual indirect costs may vary.



**Chart 2b Estimated Percent of Total Student Cost by Cost Category**

Institution	Tuition & Fees	Room & Board	Other Educational Related Expenses
UND/NDSU	40%	40%	20%
MiSU	39%	36%	25%
DSU/MaSU/VCSU	37%	37%	26%
BSC/DCB/LRSC/NDSCS/WSC	29%	44%	27%

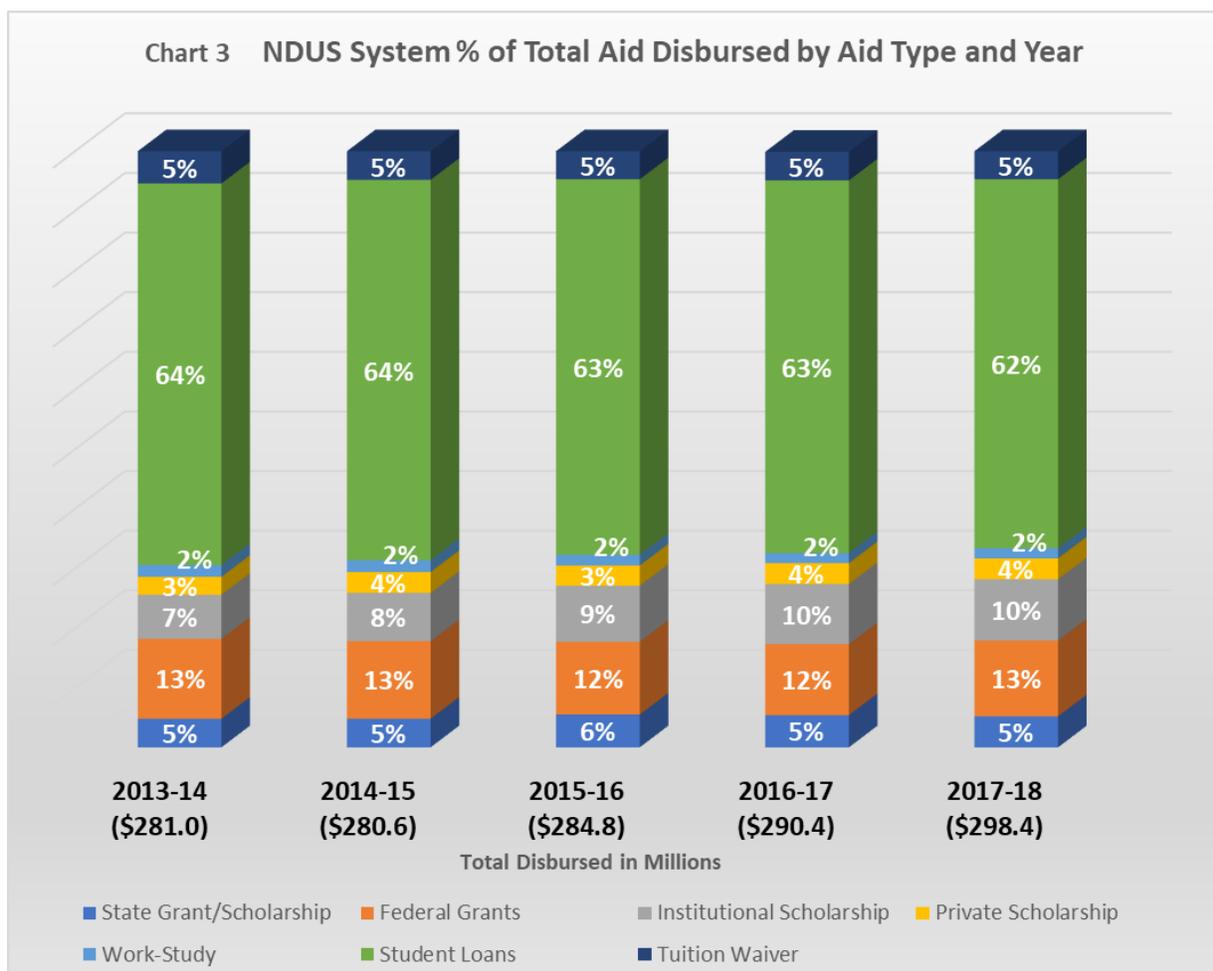
## Financial Aid Summary

In addition to costs, college affordability is dependent on many factors from family and student savings and earnings, to the availability of financial aid. Students attending NDUS institutions can take advantage of various aid programs.

Financial aid includes, but is not limited to, the following sources:

- Federal Pell Grant, Federal Supplemental Opportunity Grant (FSEOG), Work-Study
- Federal student loans
- State grants and scholarships
- Institutional scholarships
- Tuition waivers
- Institutional work
- Private scholarships
- Alternative education loans/institutional loans
- Veteran benefits

As illustrated in Chart 3, students rely on a wide breadth of aid sources to fund their educational pursuits. In 2017-18, approximately 64% of total aid disbursed was in the form of self-help aid (student loans and Work-Study), 32% came from various sources of grants and scholarships, and 5% from tuition waivers. While total awards have been consistent, institutional scholarships have shown an increase. The sections that follow will detail each of these sources.



## Federal Funding Sources

Campus-based grants and loans consist of the Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Perkins Loan and Federal Work-Study. The federal Pell Grant program provides non-repayable grants to the neediest students. Federal student loans may be either need-based (subsidized) or non-need based (unsubsidized.) Charts 4a through 4d summarize the federal student loan, grant and work program disbursements received by NDUS students for a 10-year period through the 2017-18 academic year.

TABLE 4a History of Federal Loan and Grant Aid Academic Year 2007/2008 - 2017/2018 (Millions of Dollars)							
	2007-2008	2012-2013	2017-2018	2007-08 vs 2017-18 (10-year)		2012-13 vs 2017-18 (5-year)	
<b>Doctoral (NDSU, UND)</b>							
Federal Student Loans	\$65.8	\$92.8	\$85.4	\$19.6	29.8%	-\$7.4	-8.0%
Federal Campus-based aid, Pell Grants and Perkins loans	\$18.0	\$24.0	\$23.6	\$5.6	31.4%	-\$0.4	-1.7%
Federal Work-Study	\$1.6	\$4.4	\$4.3	\$2.8	177.4%	-\$0.05	-1.1%
<b>Four-Year Universities (DSU, MaSU, MiSU, VCSU)</b>							
Federal Student Loans	\$22.1	\$21.6	\$20.3	-\$1.8	-8.1%	-\$1.2	-5.8%
Federal Campus-based aid, Pell Grants and Perkins loans	\$7.0	\$8.4	\$7.8	\$0.8	11.7%	-\$0.6	-6.8%
Federal Work-Study	\$0.5	\$0.50	\$0.4	-\$0.1	-10.8%	-\$0.07	-14.1%
<b>Two-year Colleges (BSC, LRSC, WSC, NDSCS, DCB)</b>							
Federal Student Loans	\$21.8	\$25.0	\$21.7	-\$0.1	-0.6%	-\$3.3	-13.3%
Federal Campus-based aid, Pell Grants and Perkins loans	\$7.7	\$11.2	\$9.9	\$2.2	28.5%	-\$1.2	-11.0%
Federal Work-Study	\$0.3	\$0.4	\$0.4	\$0.1	36.5%	\$0.02	4.6%
<b>NDUS Total</b>							
Federal Student Loans	\$109.7	\$139.4	\$127.4	\$17.7	16.1%	-\$12.0	-8.6%
Federal Campus-based aid, Pell Grants and Perkins loans	\$32.7	\$43.5	\$41.3	\$8.7	26.5%	-\$2.2	-5.1%
Federal Work-Study	\$2.3	\$5.2	\$5.1	\$2.8	120.5%	-\$0.1	-1.9%

Graduate and Professional students excluded when possible.

Federal Loans include FFELP and Direct Subsidized, Unsubsidized and Parent PLUS. Excludes Perkins Loans (included in Campus-based).

Excludes Graduate PLUS and private or institutional loans.

### Federal Student Loans (Subsidized, Unsubsidized and Parent PLUS)

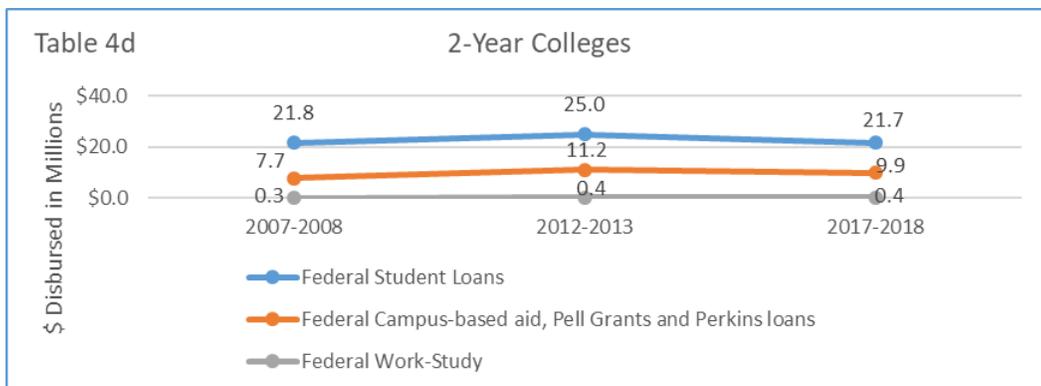
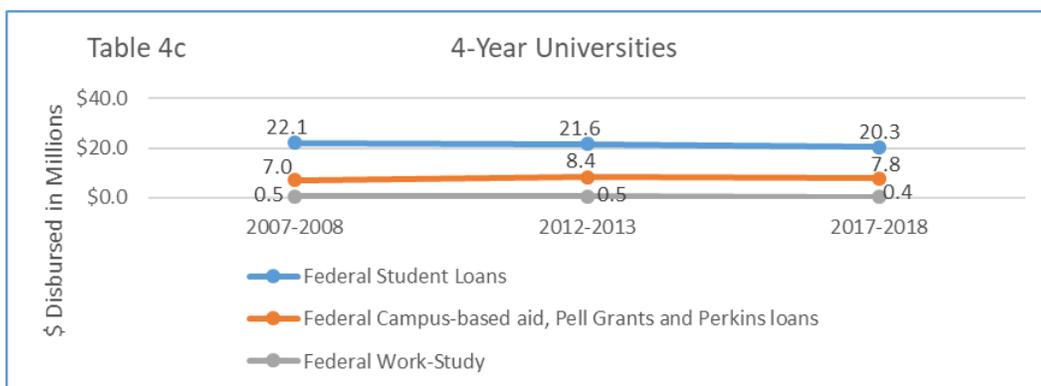
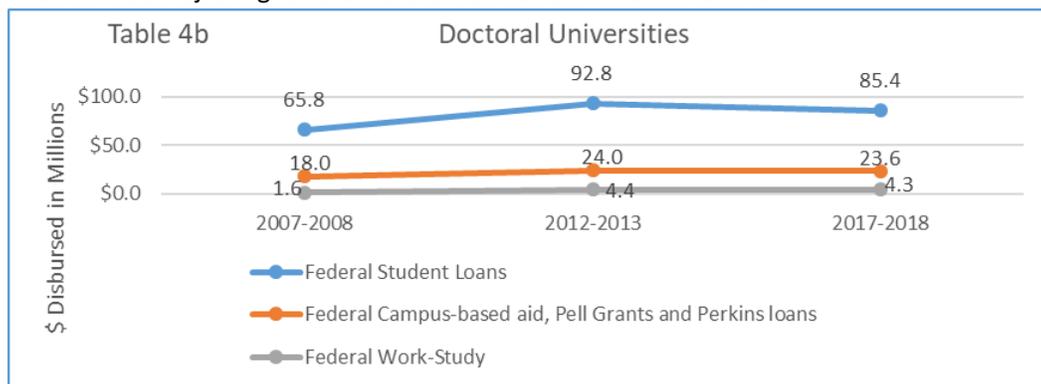
Federal student loan volume decreased by 8.6% from 2012-13 to 2017-18. As reported in 2018, the 5-year period prior to and including 2012-13 showed a reduced federal student loan volume of 14.8%. The continual decrease in loan volume correlates with North Dakota's increased investment in student grants and scholarships. The ND State Grant, Academic Scholarship and CTE Scholarship, as well as the ND Scholars Program and ND Indian Scholarship, have all provided resources to assist North Dakota resident students with college costs. More than 14,200 students have been awarded the North Dakota Academic and CTE Scholarships since 2010, a cumulative state commitment of over \$85 million. Following the 2009 Legislative Assembly, an increase of nearly 227% to the state grant appropriation provided additional awards to the neediest North Dakota resident students. This increase has afforded an average of \$10.1 million in state-funded need-based grants each year since 2012-13.

### Federal Campus-Based Grant, Perkins Loan, Pell Grant and Work Study

In the 2017-18 academic year, NDUS institutions disbursed 5.1% less in federal campus-based aid and Pell Grants than five years earlier. The 2018 reported federal campus-based and Pell awards showed a 13.9% reduction for the five-year period prior to and including 2012-13. For this same timeframe, Work-Study declined slightly by 1.9%. Even with this slight reduction, Work-Study awards were fairly level over the past 5 years.

The federal Perkins Loan program expired on September 30, 2017. The 2017-18 academic year was the final year that institutions could award this low-interest, need-based funding source, leaving a potential gap for low-income students.

Contributing to the decline in federal aid disbursements is the Pell Grant. The Pell Grant program has not seen significant funding increases in recent years. In 2007-08, the maximum Pell Grant award was \$4,310. It increased to \$5,550 by the 2012-13 academic year. The Pell Grant increased an average of 1.3% annually since then. The 2017-18 maximum award was \$5,920. The federal Pell Grant continues to cover less of the neediest student's costs. According to College Board, *"The percentage of average public four-year in-state published tuition and fees covered by the maximum Pell Grant declined from 92% in 1998-99 to 72% in 2008-09 and to 60% in 2018-19."* [College Board, *Trends in Student Aid 2018.*] College Board also noted that while the Pell Grant increased by 3% between 2017-18 to 2018-19, the buying power is about the same as the 2017-18 Pell Grant after adjusting for the increase to the Consumer Price Index.

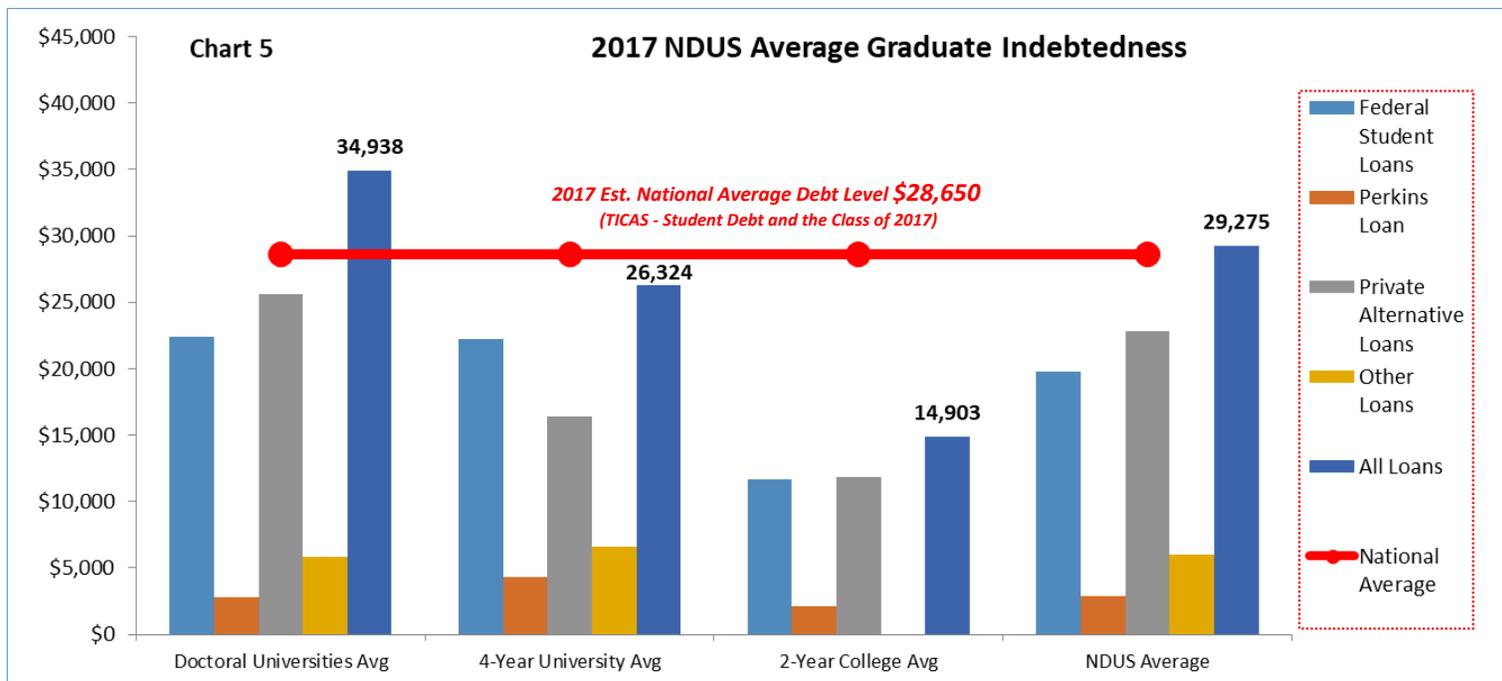


## Annual Loan Volume & Indebtedness at Graduation

Annual loan volume and indebtedness at graduation are important indicators of college affordability. The 2017-18 disbursement data (all loan types) showed a reduction in the number of borrowers and total amount borrowed at all institution types. The average amount borrowed decreased at doctoral institutions for both the 10-year and 5-year periods. Both the four-year university and two-year campus amounts showed an increase over the 10-year period, however; four-year universities showed a 1.8% reduction in the more recent 5-year period and the two-year colleges only increased by 1% during this time. This data is reflected in Table 6.

This slowing of student loan growth is encouraging, especially since students have had the opportunity for increased loan limits. In 2007-08, annual federal subsidized and unsubsidized student loan limits for freshmen, sophomores and graduate students increased. The Ensuring Continued Access to Student Loans Act of 2008 again increased annual loan limits for all undergraduate students, allowing for an additional \$2,000 of unsubsidized loan borrowing per year. This increase has given students the ability to borrow significantly more annual federal student loans than they were able to receive prior to the 2007-08 academic year.

Debt at graduation among 2017 NDUS graduates with loans averaged \$29,275 for all loan types (Chart 5). The average federal loan amount was \$19,740. Perkins loans averaged \$2,856. Private and other loans averaged \$22,857 and \$6,033 respectively. The 2017 national average debt level, as reported by The Institute for College Access & Success, was \$28,650. Tracking and collection of loan indebtedness data is not mandated by federal regulation. Reports such as these rely on schools voluntarily providing debt information, which is not always accurate or complete. Additionally, not all schools participate in such surveys for debt data. NDUS data is taken directly from NDUS reports and includes all loan types, federal, private and parent PLUS.



Average indebtedness (public & non-profit four-year colleges) reflects 2017 undergraduate class who graduated between 7/1/16 and 6/30/17 who started as first-time students and received a degree at the respective institution. It includes only loans made to students who borrowed while enrolled at the institution. It excludes transfer students, and money borrowed at other institutions. Average includes all student-based loan debt (federal loans, institutional loans, private loans, nursing loans, etc....). Excludes parent loans. National debt level source: *Student Debt and the Class of 2017. The Institute for College Access & Success, 2017.*

**Table 6 Average Annual Loan Volume and Percentage of Students Borrowing**

<b>Doctoral Universities (NDSU, UND)</b>				
Year	Loan Amount Borrowed (millions of dollars)	Number of Borrowers <sup>2</sup>	Number of Borrowers/Total Headcount <sup>3</sup> Enrollment	Average Annual Loan
<b>2007-08</b>	\$117.40	19,139	76%	\$6,134
2008-09	\$116.90	18,158	66%	\$6,438
2009-10	\$123.00	15,970	56%	\$7,702
2010-11	\$129.20	16,779	58%	\$7,700
2011-12	\$133.90	17,047	57%	\$7,855
<b>2012-13</b>	\$129.90	16,538	69%	\$7,855
2013-14	\$131.22	17,795	75%	\$7,374
2014-15	\$90.26	15,237	64%	\$5,924
2015-16	\$89.04	15,258	65%	\$5,836
2016-17	\$87.71	14,535	62%	\$6,034
<b>2017-18<sup>1</sup></b>	<b>\$88.26</b>	<b>14,522</b>	<b>63%</b>	<b>\$6,078</b>
5-yr change	-32.06%	-12.19%	-8.53%	-22.63%
10-yr change	-24.82%	-24.12%	-16.86%	-0.92%

<b>4-Year Universities Annual Loan Volume (DSU, MaSU, MiSU, VCSU)</b>				
Year	Loan Amount Borrowed (millions of dollars)	Number of Borrowers <sup>2</sup>	Number of Borrowers/Total Headcount <sup>3</sup> Enrollment	Average Annual Loan
<b>2007-08</b>	\$26.80	5,816	78%	\$4,607
2008-09	\$27.10	5,880	70%	\$4,609
2009-10	\$25.90	4,298	49%	\$6,026
2010-11	\$26.50	4,414	53%	\$6,004
2011-12	\$24.90	4,116	53%	\$6,050
<b>2012-13</b>	\$22.70	3,730	51%	\$6,086
2013-14	\$22.03	3,847	55%	\$5,727
2014-15	\$20.58	3,649	53%	\$5,640
2015-16	\$20.43	3,659	54%	\$5,583
2016-17	\$21.15	3,666	53%	\$5,769
<b>2017-18<sup>1</sup></b>	<b>\$20.86</b>	<b>3,490</b>	<b>51%</b>	<b>\$5,977</b>
5-yr change	-8.11%	-6.43%	0.25%	-1.79%
10-yr change	-22.16%	-39.99%	-34.68%	29.74%

<b>2-Year Colleges Annual Loan Volume (BSC, LRSC, DCB, NDSCS, WSC)</b>				
Year	Loan Amount Borrowed (millions of dollars)	Number of Borrowers <sup>2</sup>	Number of Borrowers/Total Headcount <sup>3</sup> Enrollment	Average Annual Loan
<b>2007-08</b>	\$29.40	7,364	83%	\$3,992
2008-09	\$30.10	7,500	74%	\$4,013
2009-10	\$27.70	5,101	48%	\$5,430
2010-11	\$28.50	5,301	47%	\$5,376
2011-12	\$28.60	5,150	48%	\$5,553
<b>2012-13</b>	\$25.00	4,633	43%	\$5,396
2013-14	\$23.11	4,499	42%	\$5,136
2014-15	\$21.87	4,201	39%	\$5,206
2015-16	\$20.99	4,045	37%	\$5,189
2016-17	\$22.15	4,210	39%	\$5,261
<b>2017-18<sup>1</sup></b>	<b>\$21.68</b>	<b>3,977</b>	<b>37%</b>	<b>\$5,451</b>
5-yr change	-13.28%	-14.16%	-14.07%	1.03%
10-yr change	-26.26%	-45.99%	-55.30%	36.56%

<sup>1</sup> 2007-08 - 2012-13, loan volume includes FFEL or Direct Subsidized and Unsubsidized, and Parent PLUS only. From 2013-14 forward, loan volume includes Direct Subsidized, Direct Unsubsidized, Perkins Loan and Parent PLUS; excludes Graduate PLUS, institutional and private loans.

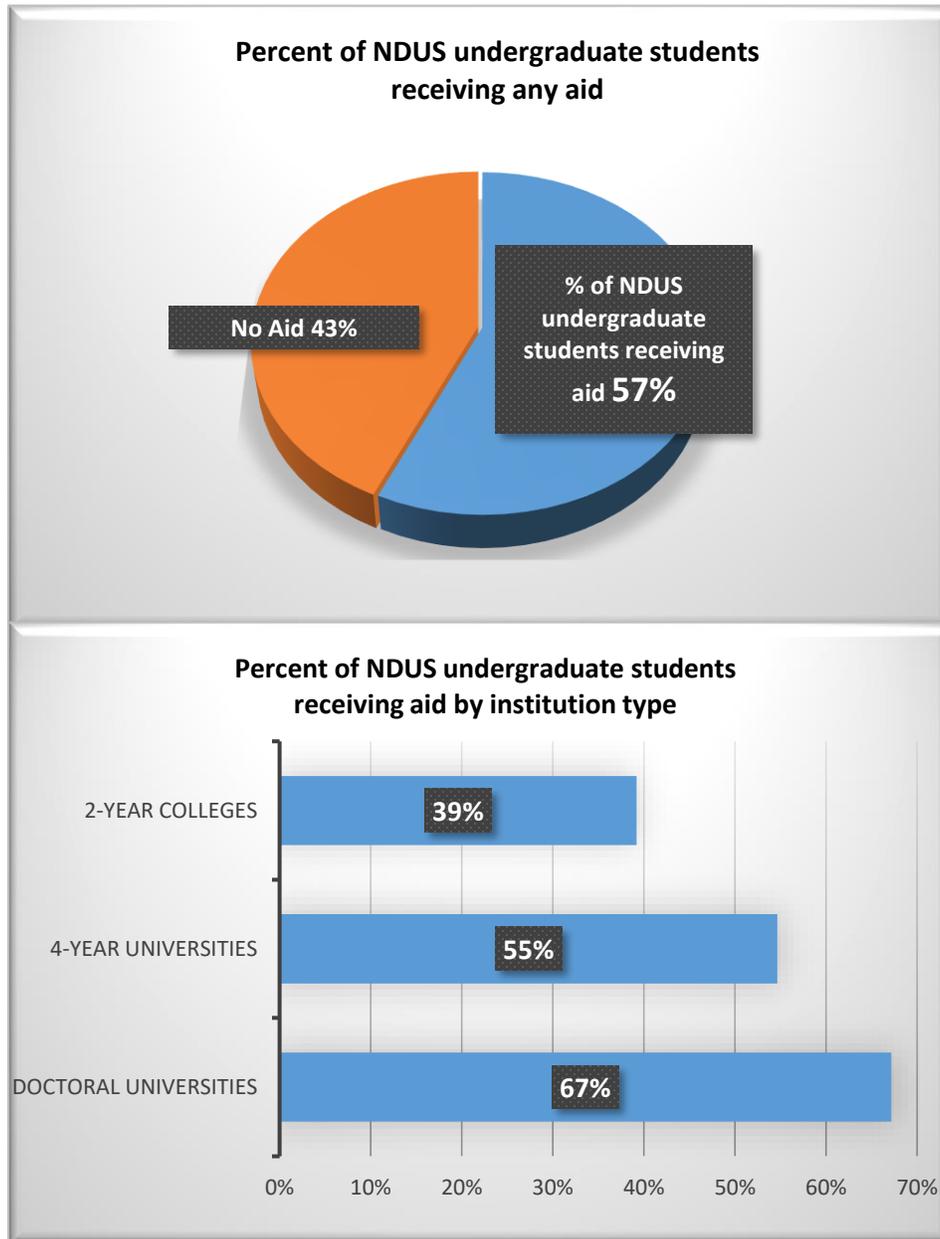
<sup>2</sup> Borrowers may be duplicated.

<sup>3</sup> Undergraduate headcount based on Fall enrollment reports.

## Percent of Students with Aid

In 2017-18, 57% of undergraduate students received some type of financial aid from one or more of the sources noted above, which is consistent with previous years. At UND and NDSU, an average of 67% received some type of aid. At four-year universities this percent was 55%, and 39% at two-year colleges.

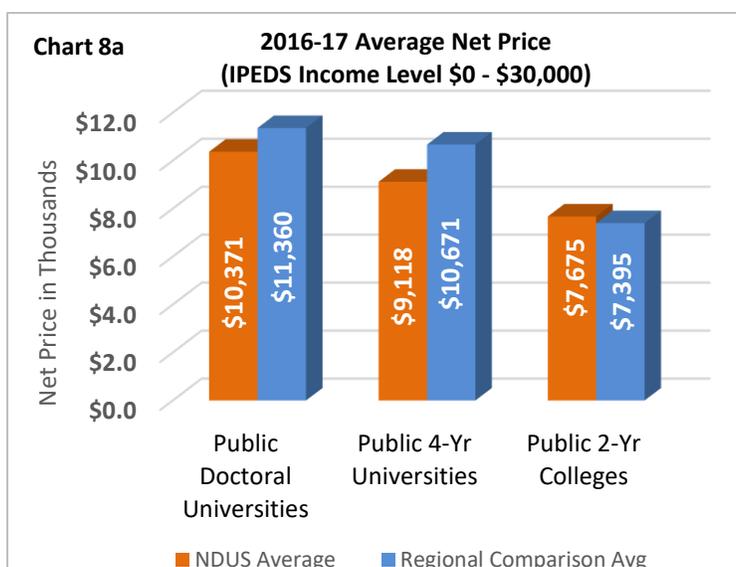
**Chart 7 2017-18 Academic Year % of Undergraduates with Aid**  
(All aid types from all sources: grant, scholarship, tuition waiver, loan, work)



## Net Price

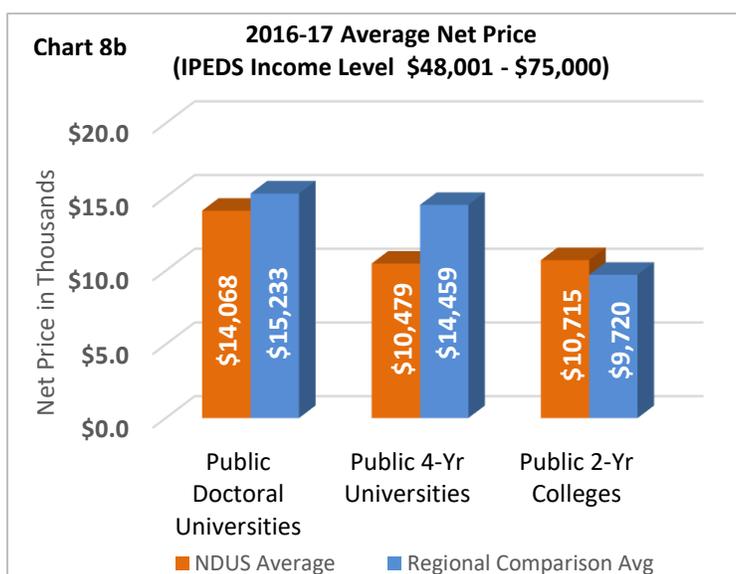
One measure of college affordability is the percentage of family income required to cover net price. Net price is the total cost of attendance, including tuition, fees, books, supplies and room/board, less the grant and scholarship aid received from federal, state, institutional and private sources. In 2016-17, income earners below \$30,000 had a lower average net price to pay at NDUS doctoral and four-year universities compared to regional counterparts as reflected in Chart 8a. At most two-year colleges, the net price is slightly higher than the regional counterparts except for BSC, where the average net price was below the regional counterparts. Similar results were found for higher income earners as reflected in Chart 8b. 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 among North Dakota public institutions is below or comparable to regional counterparts, data suggests that affordability is strongly tied to family income levels. Lower income families (10<sup>th</sup> percentile) in North Dakota require a greater percentage of their income to cover estimated net price compared to families earning a median income. This is a potential concern for the neediest families.



### Percentage of 2017 Lowest Quintile Income (\$25,280) Required to Cover Net Price

NDUS Doctoral Universities	<b>41%</b>
NDUS Four-Year Universities	<b>36%</b>
NDUS Two-Year Colleges	<b>30%</b>



### Percentage of 2017 Median Income (\$59,886) Required to Cover Net Price

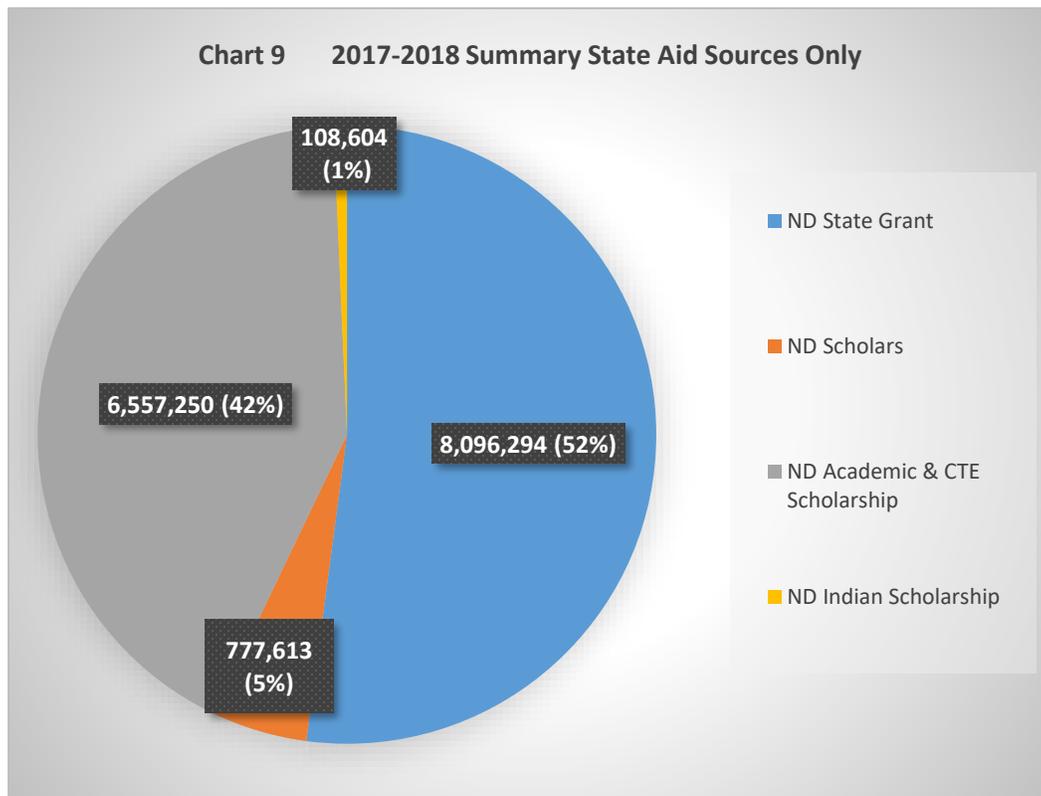
NDUS Doctoral Universities	<b>23%</b>
NDUS Four-Year Universities	<b>17%</b>
NDUS Two-Year Colleges	<b>18%</b>

## Other Aid Sources: State, Private, Institutional, Waivers

As was previously noted, federal grants (Pell Grant and FSEOG) contribute considerably to affordability. In 2017-18, \$37.9 million in federal grants was disbursed. However, students must rely on other sources of funding as well to fund their education. Further contributing to affordability are state-funded grants and scholarships, tuition waivers, institutional scholarships and privately funded scholarships. In 2017-18 total funding through grants, scholarships and tuition waiver totaled nearly \$108.6 million. The amount is a combination of federal, state, institutional, and private dollars. All sources contribute to affordability through programs that do not require students to repay funds.

Institutions provided nearly \$14 million in tuition waivers in 2017-18. Students were also awarded aid in the form of scholarships and grants. For example, specific institutional scholarships for athletics, performing arts or institutional merit may be awarded to students. These institutional scholarships are often funded through endowments and gifts to institutions for the benefit of students meeting specific scholarship requirements. In 2017-18, 10,178 awards totaling over \$30.6 million were given. This represents increased scholarship dollars of 3.7% over the prior year when 10,112 students were awarded \$29.5 million.

State-funded need and merit-based aid programs also contribute to affordability. Total state-appropriated dollars disbursed to students attending NDUS institutions in 2017-18 was over \$15.5 million. Of the total dollars awarded in 2017-18, 52% were provided in the form of the need-based state grant. The ND Academic and CTE Scholarships account for the second largest category of state aid awarded to students attending NDUS institutions at 42%.



Appropriations for the ND State Grant were increased significantly by the 2009 Legislative Assembly. This positively impacted student affordability. The investment increased again by approximately 12% in both the 2013 and 2015 sessions. Additional state investment in the new merit-based Academic & CTE Scholarship program was made around this same time. However, all student aid programs realized a reduction in the 2017-19 biennium due to state economic conditions.

The private sector also contributes to affordability in the form of private scholarships. In 2016-17, 7,079 students received \$10.1 million in privately funded scholarships. This amount increased in 2017-18 to 7,174 awards totaling nearly \$10.5 million. Chart 10 summarizes all NDUS dollars disbursed for the various grant, scholarship and waiver programs.

