



**Creating a University System
for the 21st Century**

**2006 Accountability
Measures Report**

December 2006

**NORTH DAKOTA
UNIVERSITY SYSTEM**

The Vital Link to a Brighter Future

The Role of the State Board of Higher Education

The State Board of Higher Education is the governing board of the North Dakota University System.

Our Vision

The North Dakota University System is the vital link to a brighter future.

Our Mission

The mission of the North Dakota University System is to enhance the quality of life of all those we serve and the economic and social vitality of North Dakota through the discovery, sharing and application of knowledge.

Core Values of the North Dakota University System

- High integrity
- Open, honest, forthright and mutually respectful in discussion and actions
- Trustworthy
- Accountable
- Cooperative, valued partner with other state agencies and entities
- Responsible stewards of the state investment in the University System
- Scholarship and the pursuit of excellence in the discovery, sharing and application of knowledge
- Support and embrace diversity



The Vital Link to a Brighter Future

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About This Report

The North Dakota University System is pleased to provide you its *2006 Accountability Measures Report*. This document is a valuable tool for demonstrating that the University System is meeting the “flexibility with accountability” expectations of SB 2003 passed by the 2001 Legislative Assembly.

The 2006 report reflects some of the many ways North Dakota University System colleges and universities are developing the human capital needed to create a brighter future for our citizens and state. NDUS institutions are educating future leaders who will provide the talent, energy and innovation to keep North Dakota competitive in today’s knowledge-based economy. That’s what we do and, as the accountability measures show, we do it well.

That’s also one-half of the dual mission envisioned for the University System by the Roundtable on Higher Education, which charged the NDUS with enhancing the state’s economy. Here, too, the system has stepped up to the plate. According to a separate report¹, in 2006 the University System contributed an estimated \$1.8 billion to our state’s economy (excluding state revenues received), an increase of \$85.5 million since 2004.

Development of the annual accountability measures report is a direct result of the creation of new relationships among the legislative and executive branches of government, the private sector and the University System. They are relationships based on mutual trust and a common purpose – creating a brighter future for students and the citizens of North Dakota. This relationship grew out of recommendations from the 1999–2000 Roundtable on Higher Education where members were charged with defining expectations and accountability measures for the system. First, roundtable members created an overall goal and a set of expectations associated with each of the six cornerstones. Then they examined how to determine if these expectations had been met, or, in other words, how progress would be measured. It was from this process that the performance accountability measures emerged as a means of measuring progress on roundtable expectations and recommendations.

The fiscal accountability measures were developed by a separate group representing the private sector and the legislative and executive branches of government. This group identified measures upon which they could judge the financial viability and spending decisions of the NDUS.

Passage of SB 2003 in 2001 signaled that the University System can and should play a larger role in enhancing the economic and social vitality of North Dakota, as envisioned by the Roundtable on Higher Education. Simply put, the 2001 version of SB 2003 empowered the system to act more entrepreneurially and, at the same time, provided consensus about what it will be held accountable for. Hence, it often is referred to as the “flexibility with accountability” legislation.

As planned in the original project timeline, the 2005 report provided refinements to the accountability measures reporting system implemented in 2001. These refinements resulted in a net reduction of six accountability measures, bringing the total number of measures included in the 2005 report to 31 and creating a report that more succinctly represents the intent of its creators.

From the beginning, the University System has been firmly committed to meeting these accountability expectations, and the annual accountability measures reports are a tool by which the system's performance can be measured. These reports also provide valuable information for state policy makers, the State Board of Higher Education and University System colleges and universities to continually improve the quality of education and services provided. While the accountability system was developed in response to legislative action, its greatest value may be as a management tool within the University System.

In addition to the changes made in 2005 as described above, like many groundbreaking initiatives, other enhancements and adaptations have been made over the years. Those worthy of notation include:

- In addition to the legislatively mandated measures, the SBHE added 12 accountability

measures in 2001. The board deemed these measures necessary to provide guidance in establishing effective policy for the 11 University System colleges and universities.

- Several fiscal accountability measures were modified in 2002 because of changes in the Governmental Accounting Standards Board's financial reporting standards. As a result, the 2006 report includes the fourth year of data for these measures.
- Wherever possible, national comparative data is provided. Because a national employer satisfaction survey did not exist, in 2004 the NDUS initiated development of an employer survey and partnered with a national firm and other states in the creation and piloting of a survey instrument. The 2004 report included responses to two new employer satisfaction measures and established baseline data for the NDUS and the beginning of national benchmarks.

Also, as comprehensive as the accountability measures are, they may not provide a full sense of the dramatic changes occurring at the colleges and universities. To complement these measures, this report includes highlights of 2006 campus activities aligned with the cornerstones of the *Roundtable Report* on Pages 55–60. These highlights are examples of the fundamental changes taking place on a day-to-day basis, all of which contribute to the success demonstrated in these measures.

Both the legislatively-mandated accountability measures and the board-required measures are organized and numbered according to the cornerstones of the *Roundtable Report*. The origin of each measure is noted in smaller type below the measure number in the body of the text. The six cornerstones of the *Roundtable Report*, combined with the clearly defined and agreed-upon accountability measures, provide a useful framework for focusing the assets of the University System on the high-priority needs of the state.

Although the sixth cornerstone titled "Sustaining the Vision" is integral to the development of a university system for the 21st century, no accountability

measures fall specifically under that category. In a broad sense, all accountability measures are aimed at sustaining the vision. It's important to note that three key components of this cornerstone now are being carried out. They are: (1) implementation of a University System strategic plan and campus plans tied to *Roundtable Report* recommendations (2) implementation of a communication plan for sustaining the vision and (3) annual meetings of the Roundtable on Higher Education to continue gaining private and public sector input.

It's important to note that the Roundtable on Higher Education emphasizes the value of celebrating successes. To those involved in the process of accountability measures reporting, it is an accomplishment worthy of celebration. The State Board of Higher Education and the North Dakota University System hope the *2006 Accountability Measures Report* not only meets, but exceeds, your expectations.

Thank you to the many University System employees who have contributed to this report.

¹ *Economic Impact of the North Dakota University System*, F. Larry Leistritz and Randall C. Coon, Department of Agribusiness and Applied Economics, North Dakota State University, Fargo, N.D.

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An Executive Summary

The Roundtable on Higher Education, a group of state leaders from the public and private sectors, established new expectations for the North Dakota University System. In addition to providing high-quality education, roundtable members charged the NDUS with playing a major role in revitalizing North Dakota's economy.

Roundtable members also identified key cornerstones on which to build a university system for the 21st century. They developed accountability measures, which then were established in legislation and now are being used to determine how well roundtable expectations are being met. Accordingly, the *2006 Accountability Measures Report* is organized by the roundtable cornerstones.

Overall, the colleges and universities that make up the North Dakota University System perform very well when compared to other states and national standards.

A summary of the findings follows.

Cornerstone 1: Economic Development Connection

- NDUS institutions offer 44 entrepreneurship courses and three entrepreneurship programs. In the past year, 890 students enrolled in entrepreneurship courses, and nine students graduated from entrepreneurship programs. An additional 830 participants attended workshops that had an entrepreneurial focus.
- The number of businesses that used North Dakota's workforce training system to provide training for their employees increased 250 percent between FY 2000 and FY 2005. The number decreased between FY 2005 and FY 2006 as a result of completing a major training contract involving several hundred businesses in FY 2005. The number of employees trained increased in the past year.

- Research grew by 48 percent during the past four years with \$110.6 million in research expenditures in FY 2006. Research expenditures comprised 15.1 percent of total NDUS expenditures in FY 2006, compared to 13 percent in FY 2002.
- Businesses reported a 99.2 percent workforce training satisfaction level for FY 2006. Employees reported a satisfaction level of 98.7 percent during the same period.

Cornerstone 2: Education Excellence

- NDUS college and university students meet or exceed the national average on most nationally recognized exams.
- NDUS college and university graduates exceed the national first-time licensure pass rates for most professions measured.
- NDUS students are, in general, satisfied with their college experience. Results of the Student Satisfaction Inventory (SSI) show NDUS colleges and universities are meeting students' expectations in most areas.
- 71.7 percent of NDUS alumni said their current jobs were highly related or moderately related to the most recent degrees they earned, and 80.4 percent said the college or university they attended prepared them at least adequately for their current jobs.
- In a survey regarding NDUS college and university graduates, employers were, on average, "very satisfied" with the skills and knowledge they rated as "very important."
- Many non-completing students who left NDUS institutions did so because they wanted to attend different colleges or universities (33.9 percent). Other students left either because they moved to (or were transferred to) new locations or because they believed the majors they wanted were not offered at the institutions they attended.

Cornerstone 3: Flexible and Responsive System

- In FY 2006, companies reported a 99.7 percent satisfaction level with responsiveness of the workforce training system in North Dakota to requests for training.

Cornerstone 4: Accessible System

- The Fall 2006 NDUS part-time and full-time degree credit headcount enrollment of 42,237 was slightly higher than Fall 2005 enrollments (*Fall 2006 Enrollment Report*).
- In Fall 2006, the NDUS served 13,200 students who enrolled in courses for credit through non-traditional delivery methods. These students comprised 31 percent of the system's total headcount enrollment. Enrollment by students who take courses in a variety of non-traditional delivery methods has increased 217 percent since Fall 2001.
- Tuition and fees at UND, NDSU and MiSU were less than regional counterparts. The average rates at the four-year universities were about the same as regional counterparts, and the average two-year college rate was more than the regional average.
- Tuition and fees, as a percentage of median North Dakota household income, were slightly higher than the regional average, with the greatest difference occurring at two-year colleges.
- The number of students enrolled in graduate and first professional programs increased 23.7 percent since Fall 2002.

Cornerstone 5: Funding and Rewards

- The NDUS ratio of net assets available for debt service to long-term debt is 0.5:1 as of the end of FY 2006. A ratio of 1:1 or greater is desired.
- In FY 2002, general fund appropriations provided 32 percent of the total NDUS revenues. In FY 2006, the general fund share was 26 percent.
- In FY 2006, the NDUS spent \$17,320 per student from all funding sources, an increase of 17.6 percent since FY 2002. The majority of funds were spent in support of core services (57 percent), and the remaining funds were spent in support services and student aid (15 percent) and administration and physical plant (16 percent).
- The NDUS had a primary reserve ratio of 0.3:1 as of the end of FY 2006, which indicates it could continue operations for about 14 weeks.
- The NDUS had a net income margin of 3.7 percent as of the end of FY 2006, indicating the system was not spending more than was taking in.
- All colleges and universities were funded at less than their operating benchmarks per FTE student. All colleges and universities exceeded the student share portion of the state/student share targets in FY 2006. NDUS institutions were funded at an average of 13.4 percent of the Office of Management and Budget capital assets formula and at 4.2 percent of total capital funding needs, including outstanding deferred maintenance.
- Higher education's share of the 2005–07 total state appropriation is 19.5 percent, a decrease from 21 percent in 2001–03.

An Overview of the North Dakota University System

The North Dakota University System (NDUS) is a unified system of higher education governed by one board. The system includes two doctoral universities, two master's-level universities, two bachelor's-level universities and five two-year colleges that offer associate and trade/technical degrees.

Bismarck State College (BSC)

Located in Bismarck, N.D., BSC is a comprehensive community college. BSC provides student-centered learning in these areas: transfer courses, technical programs, online classes and degree programs, corporate and continuing education, and workforce training. Educational opportunities range from short-term, non-credit courses to advanced degrees offered in cooperation with other colleges and universities.

Degrees: Diploma, certificate and associate degree programs and a B.A.S. in energy management

Fall 2006 Enrollment: 3,477

Telephone: 1.800.445.5073 or 701.224.5400

Web site: www.bismarckstate.edu

Dickinson State University (DSU)

Located in Dickinson, N.D., DSU is a comprehensive university that combines a wide array of strong academic programs with an intimate and caring college environment. In addition to a wide range of bachelor's degree programs in teacher education, business, computer science, agriculture, nursing and liberal arts, DSU offers associate degree programs.

Degrees: Certificate, associate and bachelor's degree programs

Fall 2006 Enrollment: 2,572

Telephone: 1.800.279.4295 or 701.483.2175

Web site: www.dickinsonstate.com

Lake Region State College (LRSC)

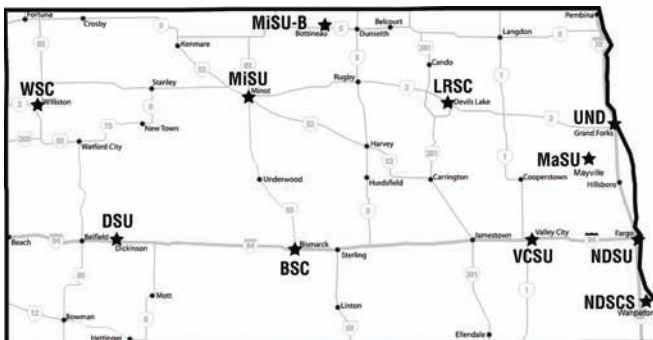
Located in Devils Lake, N.D., LRSC is a two-year comprehensive community college. LRSC offers academic, transfer, vocational-technical courses, online courses and degrees, continuing education, workforce training and educational outreach opportunities.

Degrees: Diploma, certificate and associate degree programs

Fall 2006 Enrollment: 1,508

Telephone: 1.800.443.1313 or 701.662.1600

Web site: www.lrsc.nodak.edu



Mayville State University (MaSU)

Located in Mayville, N.D., MaSU is a small university known for teacher education and many warm, personal touches. Among MaSU's 74 programs of study, teacher education, business administration and computer information systems are the most popular. A national leader in the application of technology to the classroom, MaSU was the first college in America to issue Tablet PC notebook computers to all students.

Degrees: Certificate, associate and bachelor's degree programs

Fall 2006 Enrollment: 832

Telephone: 1.800.437.4104 or 701.788.4842

Web site: www.mayvillestate.edu

Minot State University (MiSU)

Located in Minot, N.D., MiSU is a mid-size university founded as a normal school in 1913. MiSU is a leader in teacher education certification, which may be earned in nearly 20 majors. The university has evolved into a comprehensive institution to meet growth in fields such as criminal justice, psychology, computer science, management, accounting, nursing, communication disorders, social work, management information systems and marketing. Distance education courses are offered by: off-site classes in Bismarck, West Fargo, Williston, Devils Lake and Minot Air Force Base; online; and correspondence.

Degrees: Associate, bachelor's, master's and education specialist degrees and certificate programs

Fall 2006 Enrollment: 3,712

Telephone: 1.800.777.0750 or 701.858.3000

Web site: www.minotstateu.edu

Minot State University-Bottineau (MiSU-B)

Located in Bottineau, N.D., MiSU-B offers programs in the natural resources, as well as business and transfer curriculums. Students come from throughout the United States and Canada to study in programs such as forestry, horticulture and wildlife management.

Degrees: Diploma, certificate and associate degree programs

Fall 2006 Enrollment: 605

Telephone: 1.800.542.6866 or 701.228.2277

Web site: www.misu-b.nodak.edu

North Dakota State College of Science (NDSCS)

Located in Wahpeton, N.D., NDSCS is a comprehensive two-year college that offers career and transfer options in the applied sciences, technologies, health, business and transportation fields and the liberal arts. It also provides customized training for North Dakota businesses and industries. Outstanding facilities, individual attention and traditionally high job placement are keys to success at NDSCS.

Degrees: Diploma, certificate and associate degree programs

Fall 2006 Enrollment: 2,490

Telephone: 1.800.342.4325 or 701.671.2202

Web site: www.ndscs.edu

North Dakota State University (NDSU)

Located in Fargo, N.D., NDSU is North Dakota's original land-grant university. While both the university and its statewide role have expanded, the mission of teaching, research and public service is essentially the same today as it was more than 110 years ago when the university was created. NDSU's land-grant heritage includes an active statewide presence through the NDSU Extension Service and regional research extension centers.

Degrees: Certificate, bachelor's, master's and doctoral degree programs

Fall 2006 Enrollment: 12,258

Telephone: 1.800.488.6378 or 701.231.8643

Web site: www.ndsu.edu

University of North Dakota (UND)

Located in Grand Forks, N.D., and founded in 1883, UND is one of the largest and most diversified universities in the Upper Midwest. UND is characterized by a solid foundation in the liberal arts; a comprehensive array of colleges and schools (including law and medicine); high-quality students and faculty; a varied curriculum; a commitment to graduate education, research and service; a campus environment rich in cultural resources and an outstanding record of alumni support.

Degrees: Certificate, bachelor's, master's and doctoral degree programs

Fall 2006 Enrollment: 12,834

Telephone: 1.800.225.5863 or 701.777.4463

Web site: www.und.edu

Valley City State University (VCSU)

Located in Valley City, N.D., VCSU brings technology, including wireless networks and laptop computers, into the classroom to enhance learning opportunities. Universal student access to notebook computers and new technologies make this a world-class campus. Areas of study include teacher education, business, computers and the liberal arts.

Degrees: Certificate, bachelor's and master's degree programs

Fall 2006 Enrollment: 1,037

Telephone: 1.800.532.8641 or 701.845.7101

Web site: www.vcsu.edu

Williston State College (WSC)

Located in Williston, N.D., WSC is a two-year comprehensive community college. WSC offers programs for academic, transfer, vocational-occupational training and community services.

Degrees: Diploma, certificate and associate degree programs

Fall 2006 Enrollment: 912

Telephone: 1.888.863.9455 or 701.774.4200

Web site: www.wsc.nodak.edu

In Other Words

Terms used in this report include:

ACCESS: The NDUS Web site for distance education courses is located at *www.access.ndus.edu*.

Adjusted Graduation Rate: An adjusted graduation rate includes a percentage of the cohort who graduated from any postsecondary institution within three years at a two-year college or six years at a four-year university.

AY: An academic year includes three consecutive semesters: summer, fall and spring.

FINDET: Follow-up Information on North Dakota Education and Training – FINDET is a consortium of several state agencies formed to provide information regarding the status of graduates and program completers of NDUS educational institutions.

FTE Student: Full-Time Equivalent Student – This term describes the total student credit hours per campus per semester divided by 16 credit hours for undergraduate students or 12 credit hours for graduate students. Each professional-level student is counted as one FTE. (FTEs are defined differently for national and regional comparison purposes in Accountability Measures AS2 and AS3.)

FY: A fiscal year includes July 1 through June 30.

HECN: Higher Education Computer Network – HECN provides core information technology services, including academic and administrative functions, to the 11 NDUS institutions.

IPEDS: Integrated Postsecondary Education Data System – IPEDS is a system of surveys designed to collect data from all primary providers of postsecondary education.

IVN: Interactive Video Network – The statewide videoconferencing network connects public and tribal colleges, some K–12 classrooms, the North Dakota State Hospital and the state capitol for distance education learning and conferencing opportunities.

NDUS: North Dakota University System – The unified, statewide higher education system includes 11 campuses governed by the State Board of Higher Education. A chancellor serves as the chief executive officer of the board and the University System.

ODIN: Online Dakota Information Network – ODIN provides a computer-based library catalog system for North Dakota University System libraries and other libraries in the state. Currently, 106 libraries and branches are members of ODIN, which also is part of a regional network linking with Minnesota and South Dakota.

OMB: Office of Management and Budget – OMB provides a number of administrative functions and services to the state of North Dakota, including accounting, budgeting, payroll, financial reporting, facility management, human resources, risk management, central duplicating, state procurement, surplus property and central supply.


SBHE: State Board of Higher Education – The SBHE is the governing body for the North Dakota University System.



Roundtable Cornerstone 1

Economic Development Connection

Direct connections and contributions of the University System to the economic growth and social vitality of North Dakota



Entrepreneurship Program Enrollment and Graduates

Measure ED1

(Legis 2.a.)

Enrollment in entrepreneurship courses and the number of graduates of entrepreneurship programs

Do NDUS students enroll in entrepreneurship courses and graduate from entrepreneurship programs?

NDUS institutions offer 44 entrepreneurship courses and three entrepreneurship programs. In the past year, 890 students enrolled in entrepreneurship courses, and nine students graduated from entrepreneurship programs. An additional 830 participants attended workshops that had an entrepreneurial focus.

About This Measure

NDUS institutions are responding to roundtable and legislative expectations to offer entrepreneurial programs and courses. In the past year, 890 students enrolled in entrepreneurship courses, and nine students graduated from entrepreneurship programs. In addition to three programs, NDUS institutions offer 44 courses in entrepreneurship with at least one course at each campus.

The 336 participants who attended DSU's annual Business Challenge in 2006 included 130 high school students. The university also hosted an entrepreneurship seminar in April 2006 with 494 participants.

Entrepreneurship Offerings

AY 2004–05

Courses:	44
Enrollments ¹ :	890
Programs:	3
Graduates:	9
Seminars/Workshops:	2
Participants ¹ :	830

¹ Headcount

Employment Related to Education

Measure ED2

(Legis 2.b.)

Percentage of University System graduates obtaining employment appropriate to their education in the state

About This Measure

2006 employment information is not available because of a recent staffing change in the FINDET Office, which provides the data. The following information was provided in 2005.

In cooperation with Job Service North Dakota, the FINDET office (Follow-up on North Dakota Education and Training) surveyed employers of 1999 and 2002 NDUS graduates/completers one year after graduation. The graduates/completers' occupations were compared to their programs of study using Department of Labor Occupational Employment Statistics (OES) codes and the standardized national Classification of Instructional Program (CIP) codes for categorizing programs in higher education.

Of the 2002 graduates/completers employed full-time in North Dakota, 70.1 percent were employed in occupations related to their education/training, compared to 69.9 percent of the 1999 group. Of the 2002 graduates/completers employed part-time in North Dakota, 44.3 percent worked in occupations related to their education or training, compared to 40.9 percent of the 1999 group.

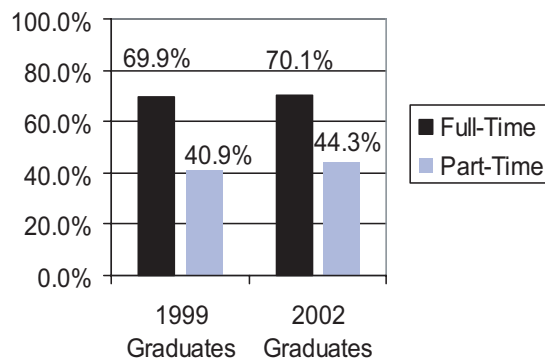
By using OES and CIP codes and partnering with Job Service North Dakota, FINDET can provide a reliable, relatively inexpensive and unbiased way to obtain this information. At the present time, however, this methodology only provides information about graduates or completers employed in North Dakota. Options for obtaining reliable and affordable information about those employed in other states are being explored for future reporting.

National comparative data for this measure does not exist.

What percentage of NDUS college and university graduates who stay in the state find employment appropriate to their education?

About 70 percent of the graduates who remained in North Dakota and are employed full time find employment related to their education or training.

In-State NDUS Graduates Working in Their Field of Study 1999 and 2002



Workforce Training

Measure ED3

(Legis 2.c.)

Number of businesses and employees in the region receiving training

How well is North Dakota's workforce training system responding to the training needs of employers?

The number of businesses that used North Dakota's workforce training system to provide training for their employees increased 250 percent between FY 2000 and FY 2005. The number decreased between FY 2005 and FY 2006 as a result of completing a major training contract involving several hundred businesses in FY 2005. The number of employees trained increased in the past year.

About This Measure

Workforce training system performance results are available for FY 2000 through FY 2006. These results demonstrate responsiveness by the workforce training system to a strong demand for workforce training in the state.

For example, 518 businesses received training through this system in FY 2000. The number rose to 1,818 in FY 2005. The unusually high number of businesses served in 2005 was due to a major one-year contract that required training to be provided to several hundred businesses. The number of businesses served returned to a more normal level (1,287) in 2006.

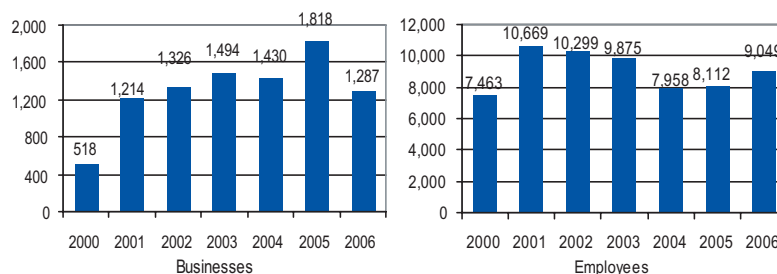
The number of employees who received training increased from 7,463 in FY 2000 to 10,669 in FY 2001. The number declined to 7,958 in FY 2004, but increased in FY 2005 and FY 2006. These fluctuations in the number of businesses served and employees trained are related to the size and location of the companies. For example, when training is extended to more rural areas of the state, smaller companies that have fewer employees may be served.

Workforce training client satisfaction levels are presented in Measure ED5 on Page 7.

The workforce training system resulted from a 31-member statewide task force on workforce development and training formed in 1998 to research "best practices" in other states and to design a more effective workforce training system in North Dakota.

This initiative was coordinated by the Greater North Dakota Chamber of Commerce (formerly the Greater North Dakota Association) and resulted in recommendations for the North Dakota University System and the state legislature. These recommendations were enacted into legislation during the 1999 session.

Workforce Training Provided FY 2000 through FY 2006



Research Expenditures as a Percentage of Total NDUS Expenditures

Measure ED4

(Legis. 5.d.)

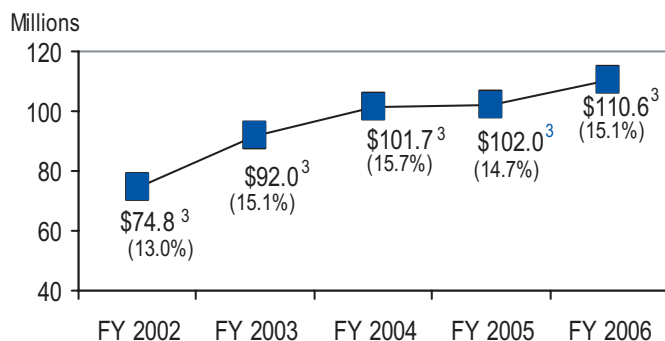
Research expenditures in proportion to the amount of revenue generated by research activity and funding received for research activity

About This Measure

During the past four years, research has grown by 48 percent from \$74.8 million in FY 2002 to \$110.6 million in FY 2006. In FY 2006, research expenditures were 15.1 percent of total NDUS expenditures, compared to 13 percent in FY 2002.

Using the North Dakota Input-Output model developed by economists at NDSU, the FY 2006 research expenditures of \$110.6 million have a direct economic impact of \$310 million on the state, based on a 2.8 multiplier. Additional indirect revenues realized as a result of direct research investments, such as new business spin-offs, are not included in this estimate.

**Research Expenditures¹ as a Percent of Total NDUS Expenditures²
FY 2002 through FY 2006**



What is the level and impact of North Dakota's research investment in higher education?

Research grew by 48 percent during the past four years with \$110.6 million in research expenditures in FY 2006. Research expenditures comprised 15.1 percent of total NDUS expenditures in FY 2006, compared to 13 percent in FY 2002.

¹ Research expenditures include pass-through dollars for the NDSU Ag Experiment Stations, Research Centers and Northern Crops Institute from state and federal appropriations and other miscellaneous sources. These funds totaled about \$24.4 million in FY 2002, \$24.9 million in FY 2003, \$24.7 million in FY 2004, \$25.6 million in FY 2005 and \$26.7 million in FY 2006.

² Other appropriate methods of reporting research activities exist, such as the method used by the National Science Foundation for the science and engineering fields.

³ Dollar amounts are in millions.

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Research Exp.	\$74.8	\$92.0	\$101.7	\$102.0	\$110.6
Total Exp.	\$577.4	\$609.6	\$649.8	\$694.5	\$734.1
% of Total	13.0%	15.1%	15.7%	14.7%	15.1%

Data Source: NDUS annual audited financial statements and *ConnectND* expenditure reports.

Workforce Training Satisfaction

Measure ED5 (SBHE-1)

Workforce training information, including levels of satisfaction with training events as reflected in information systematically gathered from employers and employees receiving training

About This Measure

Both businesses and employees continue to report a very high level of satisfaction with training received through the workforce training system. Through an evaluation of each training event, businesses that contracted for training have consistently reported satisfaction levels above 95 percent, including a 99.2 percent satisfaction level in FY 2006.

Satisfaction of employees also continues to be high. Beginning at 94 percent in 2000, the FY 2006 satisfaction level was 98.7 percent. These numbers include employees who received training through the North Dakota workforce training system by way of contracts with businesses. The numbers also include other individuals who received training through open enrollment, a term used to describe training events not directly financed by business.

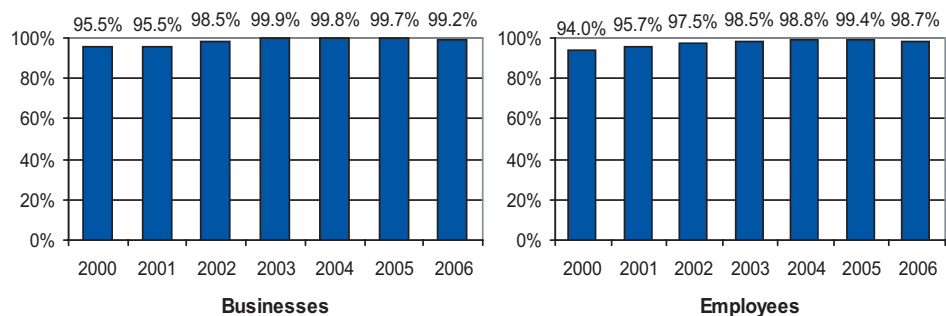
Quality of the workforce – or the availability of a well-educated, highly-skilled workforce – has been identified by the National Council for Continuing Education and Training, the National Alliance of Business and various economic development specialists as the single most important factor that determines the success of business and industry.

The need for a more effective workforce training system to respond to North Dakota’s business and industry needs became apparent by the mid-to-late 1990s. As a result, a new workforce training system was developed for the state. This initiative was coordinated by the Greater North Dakota Chamber of Commerce (formerly the Greater North Dakota Association) and resulted in recommendations for the NDUS and the Legislative Assembly.

What is the level of satisfaction with training?

Businesses reported a 99.2 percent workforce training satisfaction level for FY 2006. Employees reported a satisfaction level of 98.7 percent during the same period.

**Workforce Training Satisfaction Levels
FY 2000 through FY 2006**






Roundtable Cornerstone 2

**Education
Excellence**

High-quality education and skill development opportunities which prepare students to be personally and professionally successful, readily able to advance and change careers, be life-long learners, good citizens, leaders, and knowledgeable contributing members of an increasingly global, multicultural society



Student Graduation and Retention Rates

Measure EE1

(Legis. 1.f.)

Student graduation and retention rates

About This Measure

Each year, NDUS colleges and universities are required to report graduation rates to the National Center for Educational Statistics using the Integrated Postsecondary Education Data System (IPEDS) Graduation Rate Survey (GRS).

Data for the 2005 GRS was generated by establishment of a cohort (group of all first-time, full-time students) at each institution. Two-year college cohorts entered college in Fall 2002 and were tracked for three years; four-year university cohorts entered college in Fall 1999 and were tracked for six years.

Once a cohort has been established, only a few exceptions, such as military service, an official church mission, Peace Corps service or death, can result in removal of a student from the original cohort. The survey does not take into account students who transfer, then graduate from other institutions; these students are counted as non-completers in GRS. Although it does not impact IPEDS data or GRS results, institutions reported to IPEDS that 87 students in the four-year university student cohort transferred to other institutions, and 50 students in the two-year student cohort transferred to other institutions. This additional information provides a more comprehensive picture of student retention and success.

NDUS two-year colleges reported to IPEDS an average 34.8 percent completion rate, and four-year universities reported an average 49.1 percent rate. This compares to a 2005 national two-year college rate of 29.3 percent and a four-year university rate of 55.8 percent. In previous years, the NDUS has been able to interpret the graduation rate by going beyond the IPEDS report and including cohort students who have graduated from other institutions. For 2006, however, this data is not available because of a recent staffing change in the FINDET Office, which provides the data.

NDUS institutions also track the rate at which full-time freshmen return to college the following year. NDUS two-year colleges report a 64 percent average rate of freshmen who entered college in Fall 2005 and re-enrolled in Fall 2006, and the four-year universities reported a 68 percent rate. This compares to a 51.5 percent national two-year college retention rate and a 76.2 percent four-year institution retention rate for 2005.

It should be noted, as reported in Measure EE8 on Page 21, not all students intend to earn degrees or earn degrees within the time frames established by IPEDS.

Are NDUS students completing their degrees?

Based on IPEDS-reported graduation rates, 34.8 percent of students who attended NDUS two-year colleges completed degrees within three years, and 49.1 percent of four-year students completed degrees within six years, compared to 29.3 percent and 55.8 percent nationwide.

Graduation Rates 2005

	2-year	4-year
NDUS IPEDS-reported campus graduation rate	34.8%	49.1%
National 2005 ¹ IPEDS-reported graduation rate	29.3%	55.8%
Graduates of other postsecondary institutions	*	*
NDUS adjusted graduation rate ²	*	*

NDUS Transfer Rate and Students Still Enrolled

	2-year	4-year
Transfer rate	*	*
Students still enrolled in school	*	*
Adjusted graduation rate plus transfer and students still enrolled rate	*	*

* 2006 data is not available because of a recent staffing change in the FINDET Office, which provides the data.

¹ The most recent year for which national data are available.

² For a definition of "adjusted graduation rate," see *In Other Words* on Page vi.

Performance on Nationally Recognized Exams

Measure EE2

(Legis. 1.a.)

Student performance on nationally recognized exams in their major fields compared to the national averages

About This Measure

NDUS institutions report student participation in 19 national exams not required for entering a professional field.

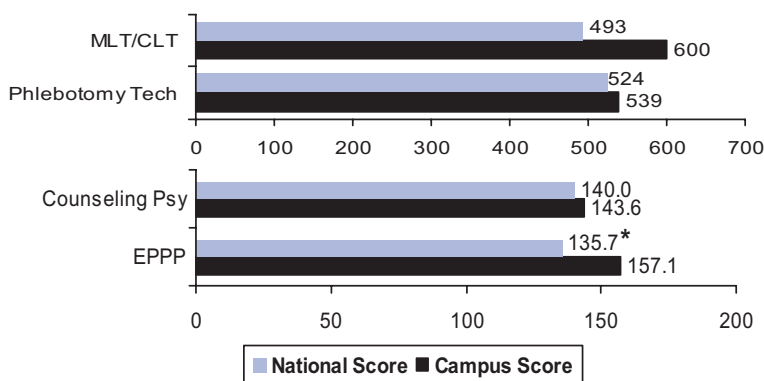
One of these exams, the National Council of Examiners for Engineering and Surveying (NCEES), includes several subset exams, such as electrical and civil engineering. NDUS engineering students exceeded the national average in the four NCEES exams included in this report.

Students from six NDUS universities took one or more parts of the four-part certified public accountant (CPA) exam. The system average of 54.6 percent was above the regional average of 49.8 percent.

In general, NDUS students meet or exceed national averages on nationally recognized exams. For privacy and confidentiality purposes, this report does not include results from tests taken by fewer than five students.

The bar charts on these two pages reflect the most recent data available.

National Examination Reporting by Test Score
AY 2005–06



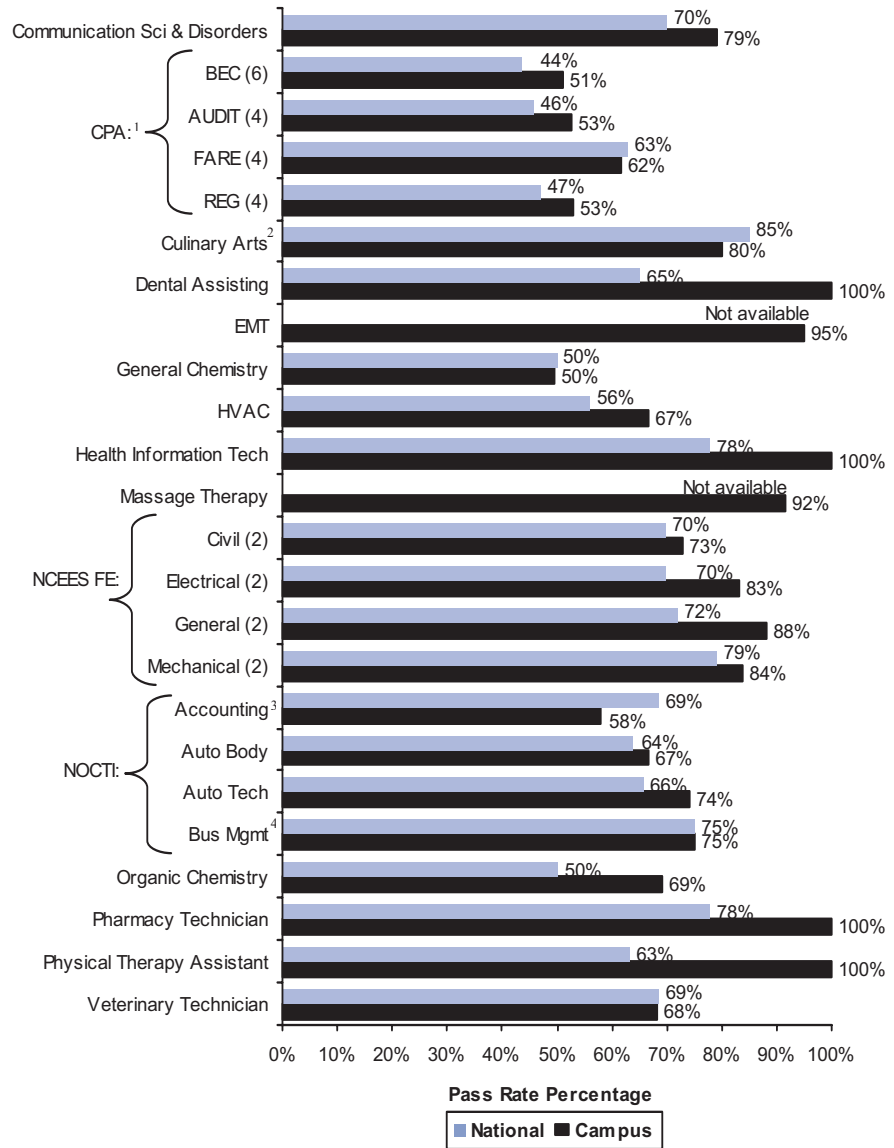
* The national average score is not available; however, 135.7 is the national cut-off passing grade.

EPPP: Examination of Professional Practice of Psychology
MLT/CLT: Medical Lab Technician/Clinical Lab Technician.

How well do NDUS students perform on nationally recognized exams?

NDUS college or university students meet or exceed the national average on most nationally recognized exams.

National Examination Reporting by Pass Rate AY 2005–06



() Number of campuses reporting.

¹ Based on regional comparison due to cost of obtaining national results.

² NDUS students complete this exam at the end of their first semester. The national pass rate includes students who have completed up to four semesters.

³ This exam is normed on two-year accounting programs. NDUS test results reflect students from a one-year program.

⁴ New computer testing technical problems reduced typical NDUS student scores.

CPA: Certified Public Accountant (BEC = Business and Environmental Concepts, AUDIT = Audit, FARE = Financial Reporting, REG = Regulation).

EMT: Emergency Medical Training.

NCEES FE: National Council of Examiners for Engineering and Surveying Fundamentals Exams, reported by exam.

NOCTI: National Occupational Competency Testing Institute.

First-Time Licensure Pass Rates

Measure EE3

(Legis. 1.b.)

First-time licensure pass rates compared to other states

About This Measure

Some professions and occupations require certification on licensure examinations related to education in that discipline.

These examinations do not provide information about how well students perform in general education courses or in courses outside of the examination field. The bar chart at right includes the scores of NDUS program graduates, including students who test out of state if the identical examination is given and the criterion cut-off scores are the same. For example, nursing's National Council Licensure Examination (N-CLEX) is the same nationwide and has the same cut-off scores. Therefore, the nursing N-CLEX-RN passage rate includes North Dakota graduates who have taken the exam in other states.

North Dakota students achieve higher than the national average pass rates on 16 of 21 licensing examinations. Pass rates on some examinations may have been affected by special efforts to provide access to underserved populations.

Some professions, such as accounting and engineering, do not require examinations prior to professional practice. National comparisons are not appropriate in other professions, such as law, because exam content and cut-off scores vary from state to state. Information about other exams is reported as part of Measure EE2 on Pages 12 and 13.

The Pre-Professional Skills Test (PPST) is a national three-part teaching skills test for which each state establishes passing scores. Now called PRAXIS I, this test was offered at all six NDUS universities during the testing period from Sept. 1, 2005 through Aug. 31, 2006. To be admitted to a teacher education program in North Dakota, a student must score within the North Dakota Education Standards and Practices Board's established target range on each of the three parts or score a minimum total of 516 points.

Since PRAXIS I is an entrance exam, not an exit exam, and since students may not plan to attend the institution where they take the test, it is not an indication of individual teacher education program quality. Examination results from all six University System administration locations are summarized in the table below.

How do NDUS graduates perform on national licensure or certification exams?

NDUS college and university graduates exceed the national first-time licensure pass rates for most professions measured. (See the explanation of exceptions in the bar chart footnotes on Page 15.)

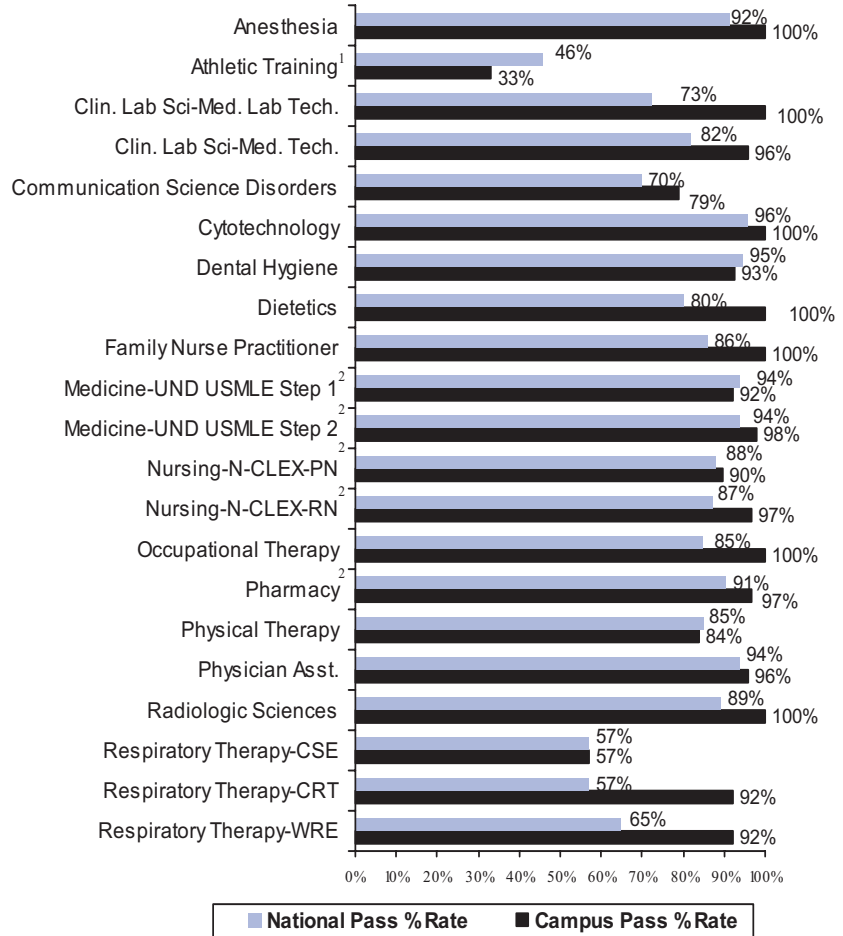
PRAXIS I Results*

AY 2005–06

	# Participants	# Passed	Percentage Passing
PPST Mathematics	215	190	88.4
PPST Writing	222	155	69.8
PPST Reading	229	166	72.5

* The data represent all test takers, not just first-time test takers.

**Comparison of NDUS Pass Rates
to National Averages on Health-Related
Professional Licensure and Certification Exams
AY 2005–06**



Sources of data: BSC, DSU, MiSU, NDSCS, NDSU, UND and WSC.
Note: Rates are for 1st time examinees.

¹ NDUS students take this exam after completing a two-year program. The national average rate includes students completing both two and four-year programs. Some students not passing this exam may have passed one or two parts of the three-part exam.

² This program reserves slots for students from underserved populations.

CSE: Clinical Simulation Examination.
CRT: Certification Respiratory Test.
N-CLEX: National Council Licensure Examination.
PN: Practical Nurse.
RN: Registered Nurse.
USMLE: United States Medical Licensing Examination.
WRE: Written Respiratory Examination.

Student-Reported Satisfaction

Measure EE4

(Legis. 1.c.)

Student-reported satisfaction with preparation in selected major, acquisition of specific skills, and technology knowledge and abilities

Are NDUS students satisfied with their college experience?

NDUS students are, in general, satisfied with their college experience. Results of the Student Satisfaction Inventory (SSI) show NDUS colleges and universities are meeting students' expectations in most areas.

About This Measure

On the third Student Satisfaction Inventory administered in Spring 2006, 5,505 students responded to questions asking them to rate, on a seven-point scale, services and qualities of the NDUS college or university they attended based on two criteria: "importance" and "satisfaction."

Higher scores represent higher levels of importance and satisfaction.

To show how well a campus is meeting students' expectations, the satisfaction rating was subtracted from the importance rating to establish a "relative performance gap score." A large performance gap score, for example a score of 1.6, shows that the institution is not meeting students' expectations, whereas a zero or small gap score of .50 indicates that an institution is close to meeting students' expectations. A negative gap score of -.25 shows that an institution is exceeding students' expectations.

NDUS student responses then were compared to corresponding national groups. For example, responses from students enrolled at NDUS four-year universities were compared to responses from students at other public four-year universities. In comparison, performance gaps based on NDUS student responses are lower than the nationally reported performance gaps in all categories.

Students who attend four-year universities rated academic advising as the most important, followed by instructional effectiveness, safety and security, registration effectiveness, student centeredness and concern for the individual. Students who attend two-year colleges agreed that instructional effectiveness and academic advising are the most important categories. Registration effectiveness, concern for the individual, recruitment and financial aid, and student centeredness followed in importance at the two-year colleges.

NDUS online learners' satisfaction level is higher than the national average on four of five measures. One thousand one hundred eighty-seven online learners responded to the Priorities Survey for Online Learners in Spring 2006. This is the first time this survey was administered. Online learners rated enrollment services as the most important, followed by instruction and academic services.

Student-Reported Satisfaction March 2006

Four-Year Institutions

Category	NDUS Importance	NDUS Satisfaction	NDUS Performance ** Gap	National Importance	National Satisfaction	National Performance ** Gap
Academic Advising	6.37	5.35	1.02	6.28	5.16	1.12
Instructional Effectiveness	6.37	5.29	1.08	6.28	5.18	1.10
Safety and Security	6.25	4.69	1.56	6.25	4.46	1.79
Registration Effectiveness	6.21	4.99	1.22	6.14	4.90	1.24
Student Centeredness	6.15	5.20	0.95	6.02	5.03	0.99
Campus Climate	6.13	5.16	0.97	6.03	5.01	1.02
Concern for Individuals	6.13	5.07	1.06	6.05	4.89	1.16
Admission and Financial Aid	6.13	4.86	1.27	6.04	4.76	1.28
Service Excellence	6.01	5.07	0.94	5.94	4.86	1.08
Campus Support Services	5.97	5.40	0.57	5.98	5.21	0.77
Campus Life	5.70	5.04	0.66	5.59	4.78	0.81
*Responsiveness to Diverse Populations		5.18			5.02	

Two-Year Institutions

Category	NDUS Importance	NDUS Satisfaction	NDUS Performance ** Gap	National Importance	National Satisfaction	National Performance ** Gap
Instructional Effectiveness	5.95	5.32	0.63	6.15	5.33	0.82
Academic Advising	5.94	5.39	0.55	6.10	5.13	0.97
Registration Effectiveness	5.90	5.35	0.55	6.13	5.32	0.81
Concern for the Individual	5.89	5.27	0.62	6.05	5.15	0.90
Recruitment and Financial Aid	5.82	5.10	0.72	5.99	5.03	0.96
Student Centeredness	5.82	5.33	0.49	5.92	5.28	0.64
Campus Climate	5.77	5.24	0.53	5.92	5.21	0.71
Service Excellence	5.74	5.25	0.49	5.91	5.16	0.75
Academic Services	5.74	5.34	0.40	6.00	5.34	0.66
Safety and Security	5.61	4.91	0.70	5.96	4.84	1.12
Campus Support Services	5.19	4.89	0.30	5.42	4.88	0.54
*Responsiveness to Diverse Populations		5.25			5.39	

Two-Year and Four-Year Online Learners

Category	NDUS Importance	NDUS Satisfaction	NDUS Performance ** Gap	National Importance	National Satisfaction	National Performance ** Gap
Enrollment Services	6.29	5.61	0.68	6.39	5.78	0.61
Instructional Services	6.26	5.73	0.53	6.37	5.70	0.67
Academic Services	6.20	5.62	0.58	6.29	5.61	0.68
Institutional Perception	6.20	5.74	0.46	6.42	5.70	0.72
Student Services	6.19	5.64	0.55	6.28	5.56	0.72

Questions are rated on a 1 to 7 scale.

Some questions on the SSI Inventory contribute to more than one category.

* Importance data are not collected for the "Responsiveness to Diverse Populations" questions.

** Importance rating minus satisfaction rating.

Alumni-Reported Satisfaction

Measure EE5

(Legis. 1.c.)

Alumni-reported satisfaction with preparation in selected major, acquisition of specific skills, and technology knowledge and abilities

About This Measure

A total of 705 NDUS alumni who graduated between July 2001 and June 2003 responded to a spring 2006 ACT Evaluation Service Survey. The next alumni survey will be administered in the spring of 2008.

In the 2006 survey, 71.7 percent of the respondents said their current jobs were “highly related” or “moderately related” to the most recent degrees earned, and 80.4 percent said the college or university they attended prepared them “exceptionally well,” “more than adequate” or “adequately” for their current jobs. More than one-half (53 percent) said their college majors and their first jobs were “highly related.”

80.7 percent said they were “very satisfied” or “satisfied” with the overall quality of instruction at the college or university they attended. Nearly 90 percent said they would give the college or university an overall rating of “excellent” (49.5 percent) or “good” (36.9 percent). For most measures, NDUS college and university alumni responses either closely paralleled or exceeded national comparisons.

Alumni-Reported Satisfaction

AY 2001–03 Graduates

What is the closeness of your current job to your most recent degree/certificate/diploma?		
	NDUS %	Nat'l %
Highly related	58.7	51.0
Moderately related	13.0	15.4
Slightly related	8.1	9.5
Not at all related	6.0	10.4
No response	14.2	13.7

What is the relationship between your first job and your major at this school?		
	NDUS %	Nat'l %
Highly related	53.0	47.6
Moderately related	14.0	16.2
Slightly related	9.8	10.6
Not at all related	10.2	12.4
No response	12.9	13.2

How well did experiences at this school prepare you for your current job?		
	NDUS %	Nat'l %
Exceptionally well	20.0	16.8
More than adequate	27.2	25.9
Adequately	33.2	33.6
Less than adequate	3.4	4.3
Very poorly	0.7	0.9
Not at all	2.0	4.3
I am not employed	0.1	0.3
No response	13.3	13.9

How would you rate the overall quality of instruction?		
	NDUS %	Nat'l %
Very satisfied	35.6	32.9
Satisfied	45.1	48.5
Neutral	8.4	10.0
Dissatisfied	4.4	3.3
Very dissatisfied	0.3	0.9
No opinion	0.4	0.6
Blank	5.8	3.8

Overall, how would you rate this school?		
	NDUS %	Nat'l %
Excellent	49.5	42.2
Good	36.9	43.8
Average	7.9	9.8
Poor	0.4	1.3
Blank	5.2	2.9

Do NDUS graduates believe they are prepared for the workforce?

71.7 percent of NDUS alumni said their current jobs were highly related or moderately related to the most recent degrees they earned, and 80.4 percent said the college or university they attended prepared them at least adequately for their current jobs.

Employer-Reported Satisfaction with Recent Graduates

Measure EE6

(Legis. 1.d.)

Employer-reported satisfaction with preparation of recently hired graduates

Are employers satisfied with the preparation of NDUS college and university graduates?

Employers are, on average, “very satisfied” with the skills and knowledge they rated as “very important.”

About This Measure

Because no national employer satisfaction surveys were available, in 2004 the North Dakota University System (NDUS) initiated development of a survey in partnership with a vendor and institutions in other states. The second employer satisfaction survey was sent to 2,606 employers of 2003–04 and 2004–05 NDUS college and university graduates in the summer of 2006. Responses were received from 617 employers. The next employer survey will be administered in the summer of 2008.

About 86 percent of the surveys were completed by supervisors, 64 percent of the respondents had daily contact with the graduates, and 49 percent of the graduates had been employed by the company for at least one year.

Employers were asked to respond to several questions about how important a particular skill was to them and then to rate their level of satisfaction with the employee on that skill. Several questions were asked in each of four categories – *knowledge and understanding*; *qualities generally expected*; *general skills and specific skills*. All questions were rated on a scale of 1 to 5 with 5 being “extremely important” or “extremely satisfied” and 1 being “not at all important” or “not at all satisfactory.” For example, employers gave *knowledge and understanding in employee’s field of study* a “very important” rating and said they were “very satisfied” with the employee’s knowledge in their field.

In *qualities generally expected of an employee*, employers rated reliability, integrity, willingness to learn and a positive attitude as the most important with “very important” ratings of 4.5 or higher. Employers said NDUS college and university graduates met their expectations in this area by giving each of those items a “very satisfied” rating. The most important general skills to employers were teamwork, verbal communication, listening to others and critical thinking.

Employers were “very satisfied” with the general skills in teamwork, listening to others, basic computer skills and customer service; they were “somewhat

satisfied” with critical thinking, computation and use of technology specific to the job. In specific skills, employers rated the ability to set goals, the ability to translate theory into practice and mentoring or coaching colleagues as being “somewhat important” and were “somewhat satisfied.”

On average, NDUS graduates received “very” and “extremely” satisfied ratings from their employers. This average is slightly higher than those reported by other states. Employers said they would be “very” to “extremely” likely to hire other graduates of that college or university.

Employer Satisfaction Survey Summary

Survey question	NDUS Mean	
	2004	2006
Overall, how SATISFIED are you that this employee demonstrates the qualities you would expect from a college graduate?	4.23	4.23
Overall, how SATISFIED are you with this employee’s general skills as they relate to the requirements of the job?	4.16	4.11
Overall, how SATISFIED are you with this employee’s specialized skills as they relate to the requirements of the job.	3.93	3.87
Based on your experience with this employee, how LIKELY are you to hire other graduates of this school?	4.15	4.15

5 = Extremely; 4 = Very; 3 = Somewhat; 2 = Not very; 1 = Not at all

Levels of Satisfaction and Reasons for Non-Completion

Measure EE7

(SBHE-2)

Non-completers satisfaction – levels of satisfaction and reasons for non-completion as reflected in a survey of individuals who have not completed their program or degree

About This Measure

Students who left NDUS institutions during the Fall 2005, Spring 2006 and Fall 2006 semesters were asked to complete the ACT Evaluation/Survey Service (ESS) survey. Although not all students who leave NDUS institutions complete the survey, of the 392 respondents, 39.3 percent were freshmen.

Most ESS respondents said they entered college to pursue bachelor's degrees. 82 percent were full-time students, and 65 percent were North Dakota residents. 42 percent said they would not re-enroll at the same institution.

Students were asked to tell why they were leaving by selecting "major reason," "minor reason" or "not a reason" after each statement in the ESS survey. "Decided to attend a different college" was the number one reason students left NDUS institutions (33.9 percent). Other students said they wanted to move or were transferred to new locations (18.1 percent) or said the majors they wanted were not offered at the institutions they attended (15.8 percent).

NDUS Non-Returning Survey Responses* AY 2005-06

Major reasons for leaving an NDUS institution by rank order	Percentage	Nat'l Public	All Nat'l
		Postsecondary Institutions Percentage	Postsecondary Institutions Percentage
Decided to attend a different college	33.9	20.8	23.6
Wanted to move to (or was transferred to) a new location	18.1	13.8	14.7
Desired major was not offered by this college	15.8	10.0	10.5
Health-related problem (family or personal)	15.1	17.6	17.2
Family responsibilities were too great	9.2	12.5	11.4
Accepted a full-time job	8.2	14.0	12.4
Conflict between demands of job and college	8.2	14.7	13.3
Tuition and fees were more than I could afford	8.2	8.8	10.9
Experienced emotional problems	7.7	8.8	9.6
Dissatisfied with my grades	7.4	11.0	10.3
Wanted to live nearer to my parents or loved ones	7.4	4.2	5.2
Academic advising was inadequate	7.4	4.8	4.8

* Percentages do not total 100 percent because students may have provided more than one major reason for leaving an institution, and only the 10 most common responses by former NDUS students are reported here.

Why do students leave NDUS institutions?

Many non-completing students who left NDUS institutions did so because they wanted to attend different colleges or universities (33.9 percent). Other students left either because they moved to (or were transferred to) new locations or because they believed the majors they wanted were not offered at the institutions they attended.

Levels and Trends in the Number of Students Achieving Goals

Measure EE8

(SBHE-3)

Student goals – levels and trends in the number of students achieving goals – institution meeting the defined needs/goals as expressed by students

Are NDUS college and university students meeting goals?

Although direct comparisons cannot be drawn between the Student Satisfaction Inventory (SSI) and graduation information, 58.7 percent of NDUS two-year college students indicated the intent to earn two-year degrees, while, as reported in Measure EE1, 34.8 percent completed two-year degrees within three years. At NDUS four-year universities, 61.6 percent indicated the intent to earn four-year degrees, while, as also reported in Measure EE1, 49.2 percent completed four-year degrees within six years.

About This Measure

The Student Satisfaction Inventory (SSI) was offered to all NDUS students in the spring of 2006. It will be offered again in the spring of 2008.

In the spring of 2006, a total of 5,505 students identified their educational goals. Survey results showed that most students who attend two-year institutions do so either to earn associate degrees (58.7 percent) or to transfer (21.5 percent). When asked if they expected to earn associate degrees in three years, 82 percent said “yes.” Most students who attend four-year institutions plan to earn bachelor’s degrees (61.6 percent). When asked if they expected to earn bachelor’s degrees in six years, 85 percent responded “yes.” Because the SSI is anonymous, the NDUS cannot track students to determine if their goals have been or are being met. Degree-seeking students do not include those who responded that their educational goals were “self-improvement/ pleasure,” “job-related training” or “other.”

The 2005 NDUS Graduation Rate Survey (GRS) reports graduation rates by tracking a cohort or group of all first-time, full-time freshmen. The GRS followed two-year college students for three years (entering college in 2002) and four-year college students for six years (entering college in 1999).

According to the Integrated Postsecondary Education Data System (IPEDS), within this cohort, 34.8 percent earned associate degrees within three years, and 49.1 percent earned bachelor’s degrees within six years. This compares to a 29.3 percent national completion rate at two-year colleges and a 55.8 percent completion rate at four-year universities. In addition, the institutions reported to IPEDS that 87 students in the NDUS four-year university cohort transferred to other institutions, and 50 students in the two-year cohort transferred to other institutions.

As shown in Measure EE7 on Page 20, most students left NDUS institutions because they: (1) decided to attend a different college (2) wanted to move to or were transferred to a new location or (3) wanted a major that was not offered by the college or university they were attending.

NDUS Student Educational Goals

Two-Year School Students				
Educational goal	2003	2004	2005	2006
Associate degree	49.1%	50.8%	50.8%	58.7%
Vo-Tech	12.2%	9.9%	9.9%	7.6%
Transfer	25.1%	26.7%	26.7%	21.5%
Certification	4.7%	4.2%	4.2%	3.4%
Self-improvement/pleasure	1.0%	0.7%	0.7%	0.7%
Job-related training	2.2%	2.0%	2.0%	2.3%
Other educational goals	5.8%	5.6%	5.6%	5.9%


Four-Year School Students				
Educational goal	2003	2004	2005	2006
Associate degree	2.8%	2.2%	2.2%	1.5%
Bachelor’s degree	61.2%	58.3%	58.3%	61.6%
Master’s degree	16.8%	20.9%	20.9%	19.0%
Doctorate or professional degree	14.7%	16.1%	16.1%	15.5%
Certification	0.9%	0.4%	0.4%	0.4%
Self-improvement/pleasure	0.7%	0.5%	0.5%	0.4%
Job-related training	0.6%	0.3%	0.3%	0.4%
Other	2.4%	1.3%	1.3%	1.3%



Roundtable Cornerstone 3

Flexible and Responsive System

A University System environment that is responsive to the prioritized needs of its clients and serves as a model of a flexible, empowering, competitive, entrepreneurial and rewarding organization for a new economy in a rural state



Responsiveness to Clients

Measure FRS1

(SBHE-4)

Levels of satisfaction with responsiveness, as reflected through responses to evaluations of companies receiving training

About This Measure

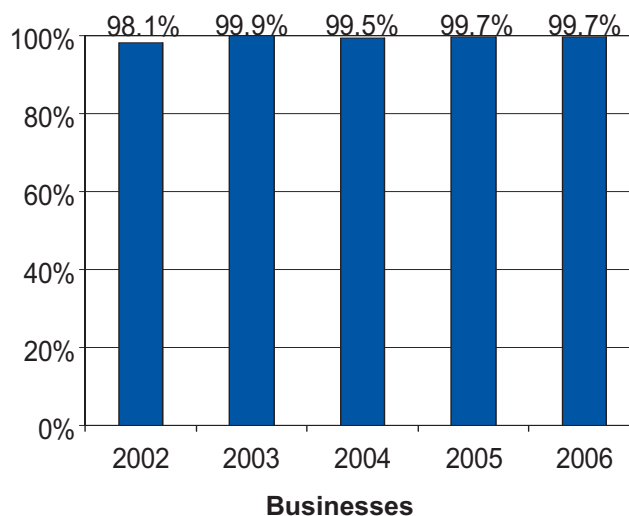
The statewide Task Force on Improving Workforce Training and the Roundtable on Higher Education both recommended several accountability measures related to the workforce training system in North Dakota, including measurement of the responsiveness to clients.

In FY 2006, the 1,287 companies that contracted for training through the workforce training system reported an average satisfaction level of 99.7 percent in regard to responsiveness to training requests.

FY 2002 was the first year data on responsiveness was collected and reported. Client satisfaction levels have been consistently high during this five-year period.

Since workforce training is a contractual arrangement between the employer and the training provider, only employers can report on satisfaction levels with responsiveness. As a result, no employee-level satisfaction data is available.

Workforce Training Satisfaction Levels with Responsiveness
FY 2002 through FY 2006



What is the level of satisfaction with responsiveness to training needs?

In FY 2006, companies reported a 99.7 percent satisfaction level with responsiveness of the workforce training system in North Dakota to requests for training.

Biennial Report on Employee Satisfaction

Measure FRS2

(Legis. 1.e.)

Biennial report on employee satisfaction relating to the University System and local institutions

About This Measure

About 1,600 NDUS employees responded to the third National Campus Quality Survey administered to all system employees in 2006. 76 percent of all respondents rated their overall job satisfaction as “satisfied” (49 percent) or “very satisfied” (27 percent). The remaining 24 percent rated their overall job satisfaction as “neutral” (12 percent), “somewhat dissatisfied” (10 percent) and “not satisfied at all” (2 percent).

Participants included 523 faculty members, 522 support staff, 459 administrative professionals and 52 department chairs. (Twenty-one respondents did not designate an employment category). In 2004, 1,982 employees completed the survey.

When asked to rate their overall impression of quality on their campus, the majority of respondents said quality was “good” (54 percent) or “excellent” (21 percent). The remaining 24 percent said their overall impression was “average” (20 percent), “below average” (3 percent) or “inadequate” (1 percent).

In the same survey, system employees responded to 50 questions about their perceptions of “how it is now” and “how it should be.” The questions were organized into eight quality management categories. Employee responses were compiled and are reflected in the table on the next page.

A performance gap is calculated for each question by subtracting the “how it is now” score from the “how it should be” score. A small gap means that employee expectations are close to being met.

The 2006 NDUS performance gaps are lower than the national gaps in seven categories (higher only in the Measurement and Analysis category). The 2006 NDUS performance gap in the Employee Training and Recognition category is smaller than 2004; performance gaps in the other seven categories are slightly larger than the 2004 gaps.

NDUS colleges and universities continue to respond to employee concerns. Examples of actions aimed at improving employee satisfaction follow:

- Surveys were conducted to identify ways to improve communication.
- Monthly meetings that include faculty, staff and student groups are held to share information.
- Salary increases were made a campus goal.
- A faculty/staff awards program was implemented to recognize exemplary job performances that add value to students’ college experiences.
- Additional professional development opportunities are being provided.
- Ongoing leadership and development training is being provided.
- Staff input on improving services and processes has been solicited.
- A campus policy was developed to collect information, ideas and recommendations from faculty/staff, and campus groups meet regularly to identify action steps for improvements.

Are NDUS employees satisfied with their employment?

When asked to rate their overall satisfaction, 76 percent of NDUS employees who responded to a recent survey said they are “satisfied” or “very satisfied” with their employment.

- In response to a campus survey, more faculty members are included in the budget and planning process.
- A staff senate was formed to increase involvement and communication in university governance.

**Comparisons of National Norms in Eight Main
Survey Categories of Staff Perception of “How It Is Now”
2004 and 2006**

Quality Category	Overall NDUS How It Is Now		Overall NDUS Performance Gap		Overall Nat'l Norm Performance Gap		2-year Nat'l Norm Performance Gap		4-year Nat'l Norm Performance Gap	
	2004	2006	2004	2006	2004	2006	2004	2006	2004	2006
Employee Training and Recognition	3.166	3.174	1.250	1.235	1.333	1.316	1.375	1.342	1.392	1.400
Top Management Leadership and Support	3.337	3.310	1.111	1.140	1.161	1.152	1.243	1.220	1.225	1.242
Employee Empowerment and Teamwork	3.349	3.329	1.029	1.059	1.147	1.139	1.190	1.165	1.181	1.203
Quality/Productivity Improvement Results	3.324	3.272	0.992	1.053	1.084	1.082	1.131	1.110	1.060	1.088
Measurement and Analysis	3.370	3.278	0.982	1.091	1.076	1.070	1.108	1.086	1.120	1.144
Strategic Quality Planning	3.406	3.394	0.939	0.947	1.192	1.184	1.243	1.220	1.210	1.224
Quality Assurance	3.356	3.341	0.938	0.961	1.076	1.070	1.114	1.095	1.094	1.112
Customer Focus	3.410	3.409	0.904	0.925	1.006	0.999	1.058	1.033	1.034	1.057


Questions are rated on a 1– 5 scale of “how it is now” and “how it should be” with (1) strongly disagree (2) disagree (3) uncertain (4) agree and (5) strongly agree.



Roundtable Cornerstone 4

**Accessible
System**

A University System which is proactively accessible to all areas of North Dakota and seeks students and customers from outside the state. It provides students, business, industry, communities and citizens with access to educational programs, workforce training opportunities, and technology access and transfer – and does so with the same performance characteristics as described in the “Flexible and Responsive” cornerstone



Non-Traditional Delivery Methods

Measure AS1

(Legis. 3.a.)

Number and proportion of enrollments in courses offered by non-traditional methods

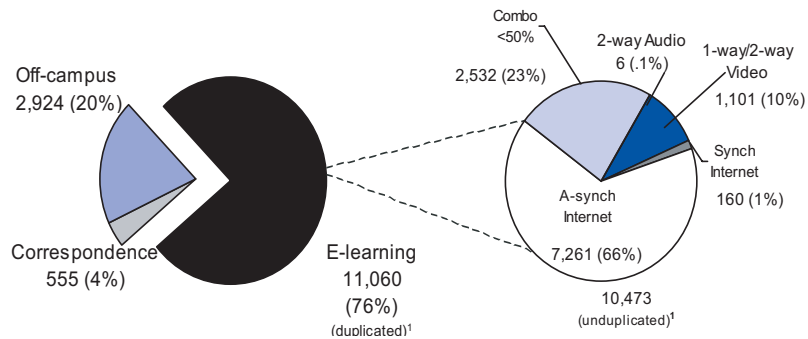
About This Measure

The NDUS is proactively pursuing alternative educational delivery methods to provide “anytime, anyplace” access for students.

Classes are offered via correspondence study, face-to-face meetings at off-campus sites and through e-learning. E-learning includes online Internet courses, which can be offered in a synchronous (at the same time) mode or an asynchronous (independent of time) mode. E-learning also includes prerecorded video, two-way video (IVN) or a combination of these methods.

2001 was the benchmark year for including this information in the *Fall Enrollment Report*, which is the basis for enrollment accountability reporting. The number of students who enroll in courses via non-traditional delivery methods has increased 217 percent since 2001, including a 30 percent increase in 2006.

Distance Education Degree Credit Student Headcount Enrollment Fall 2006



Do NDUS students take courses through non-traditional delivery methods?

In Fall 2006, the NDUS served 13,200 students who enrolled in courses for credit through non-traditional delivery methods.¹ These students comprised 31 percent of the system’s total headcount enrollment. Enrollment by students who take courses in a variety of non-traditional delivery methods has increased 217 percent since Fall 2001.

The NDUS also offers courses via live and prerecorded TV broadcasts, prerecorded video and audio, one-way audio and CD-ROM; however, students did not choose these delivery methods during Fall 2005.

A course involving a combination of delivery methods is considered a “combo” course only when any single delivery method provides less than 50 percent of the instruction.

¹ 587 enrollments involved students who took multiple courses delivered by different E-learning delivery methods. 1,339 enrollments involved students who took courses by more than one distance education delivery method. Therefore, a total of 13,200 headcount enrollments were in non-traditional delivery method courses for credit. Source: *Fall 2006 Enrollment Report*, Tables 9-9a.

	Face-to-face Off-campus	Correspondence	E-learning	Unduplicated Distance Education Total
Fall 2001	1,410	351	2,623	4,167
Fall 2002	2,311	509	3,198	5,777
Fall 2003	2,730	554	4,430	7,216
Fall 2004	2,557	571	5,800	8,505
Fall 2005	2,366	544	7,849	10,124
Fall 2006	2,924	555	11,060	13,200

Source: Fall Enrollment Reports for 2001, 2002, 2003, 2004, 2005 and 2006.

Tuition and Fees Compared to the Regional Average

Measure AS2

(Legis. 4.a.)

Tuition and fees on a per-student basis compared to the regional average

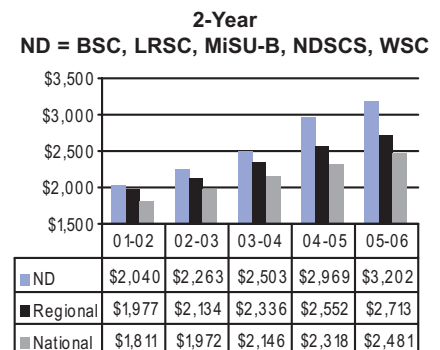
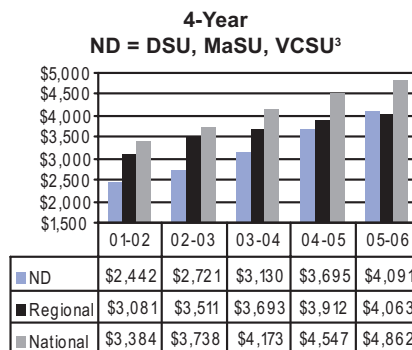
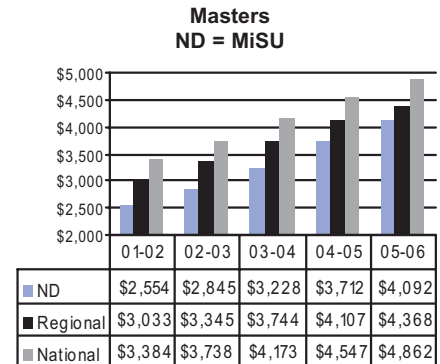
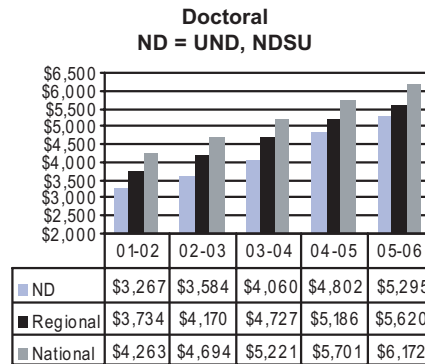
About This Measure

The FY 2005–06 average resident undergraduate tuition and required fees at UND and NDSU were \$325 (6 percent) less than the regional average and \$877 (14 percent) less than the national average. MiSU’s tuition and fees were \$276 (6 percent) less than the regional average and \$770 (16 percent) less than the national average. Rates at DSU, MaSU and VCSU were about the same as regional counterparts, but were less than the national average by \$771 (16 percent).

Tuition and fees at the two-year colleges are higher than the regional average by \$489 (18 percent) and higher than the national average by \$721 (29 percent). Regional two-year college rates have increased 55 percent during the past seven years, while North Dakota two-year college rates have increased 68 percent during the same period.

Resident Undergraduate Tuition and Required Fees: A Regional and National Comparison^{1,2}

FY 2001–02 through FY 2005–06



How do tuition and fees at North Dakota’s public institutions compare to those of other states?

Tuition and fees at UND, NDSU and MiSU were less than regional counterparts. The average rates at the four-year universities were about the same as regional counterparts, and the average two-year college rate was more than the regional average.

¹For tuition purposes, 45 quarter hours or 30 semester hours per academic year equals full-time undergraduate student status.

²Regional average includes CO, IA, KS, MN, MO, MT, NE, OK, SD, WI and WY.

³Excludes \$854 at MaSU and \$901.75 at VCSU for annual laptop computer and other related fees.

Data Source: 2005–06 Tuition and Fee Rates: A National Comparison, Washington State Higher Education Coordinating Board; and NDUS Institutional Charges Schedule.

Tuition and Fees Compared to Household Income

Measure AS3

(Legis. 4.b.)

Tuition and fees as a percentage of median North Dakota household income

About This Measure

In FY 2005–06, tuition and required fees at UND and NDSU were 13.5 percent of the median household income in North Dakota or slightly higher than regional counterparts. The national average was about 14 percent.

To attend MiSU, North Dakotans contributed 10.4 percent of their median household income to tuition and required fees or slightly higher than regional counterparts. The national average was 11 percent.

The four-year tuition and required fee rates at DSU, MaSU and VCSU were 10.4 percent of the median household income, also higher than regional counterparts. The national average was 11 percent.

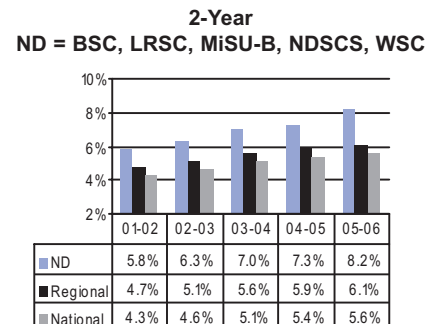
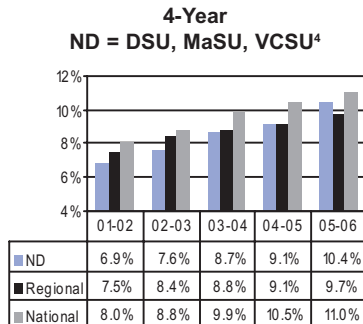
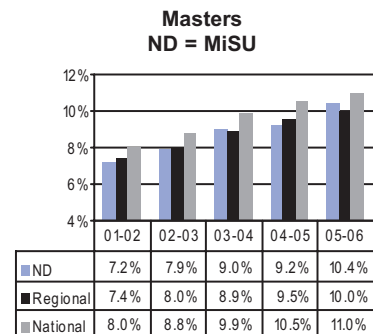
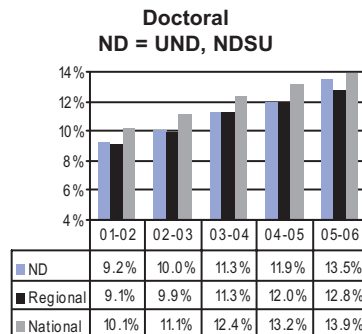
The greatest difference between North Dakota and regional rates occurs at the two-year colleges where North Dakota residents contribute 8.2 percent of their income to cover tuition and required fees, while the regional contribution is 6.1 percent and the national average is 5.6 percent.

Is public higher education in North Dakota affordable for residents?

Tuition and fees, as a percentage of median North Dakota household income, were slightly higher than the regional average, with the greatest difference occurring at two-year colleges.

Resident Undergraduate Tuition and Required Fees As a Percentage of Median Household Income ^{1,2,3}

FY 2001–02 through FY 2005–06



¹ For tuition purposes, 45 quarter hours or 30 semester hours per academic year equals full-time undergraduate student status.

² Tuition and required fees + median household income.

³ Regional average includes CO, IA, KS, MN, MO, MT, NE, OK, SD, WI and WY.

⁴ Excludes \$854 at MaSU and \$901.75 at VCSU for annual laptop computer and other related fees.

Data Source: 2005–06 Tuition and Fee Rates: A National Comparison, Washington State Higher Education Coordinating Board, NDUS Institutional Charges Schedule and NDUS Student Affordability Report, Feb. 2006.

Enrollment Numbers and Trends

Measure AS4

(SBHE-5)

Student enrollment information, including: (a) total number and trends in full-time, part-time, degree-seeking and non-degree-seeking students being served and (b) the number and trends of individuals, organizations, and agencies served through non-credit activities

About This Measure

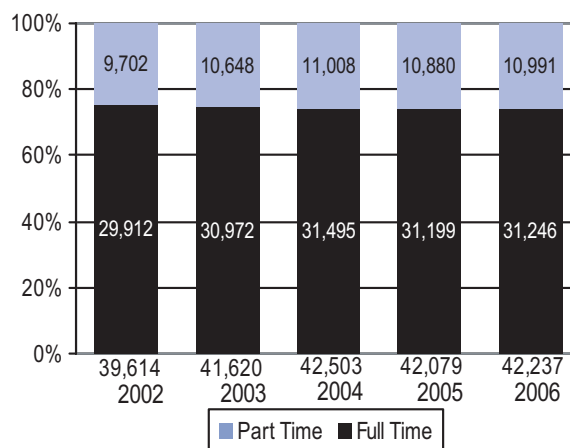
In April 2001, the SBHE approved a new enrollment reporting policy. Under this policy, which is consistent with the United States Department of Education's Integrated Postsecondary Education Data System (IPEDS) data, all degree-credit enrollments are being reported. Prior to this policy change, some degree credits on some campuses may not have been fully reported.

The Fall 2006 enrollment of full-time and part-time degree-seeking students is slightly higher than Fall 2005. In Fall 2006, there were 74 more part-time enrollments and 47 more full-time enrollments.

Since Summer 2001, credit, non-degree credit and non-credit enrollment has been reported on an annual basis. However, a 2006 annual report will not be produced before this accountability measures report is published.

In 2006, more than 17,000 individuals were served by NDUS institutions through non-credit activities. Non-credit services, including workforce training, were provided to 2,487 businesses, organizations, high schools and agencies. In addition, through its Rural Methamphetamine Education Project, Minot State University made presentations to more than 26,000 public officials, teachers, business leaders and parents. Workforce training activities are reported in greater detail in Measure ED3 on Page 5.

**Percentage of Full and Part-Time Degree-Seeking Students
Fall 2002 through Fall 2006**



Source: Fall Enrollment Reports for 2002, 2003, 2004, 2005 and 2006.

How many students does the NDUS serve?

The Fall 2006 NDUS part-time and full-time degree credit headcount enrollment of 42,237 was slightly higher than Fall 2005 enrollments (*Fall 2006 Enrollment Report*).

Student Participation Levels and Trends

Measure AS5

(SBHE-6)

Student participation – levels and trends in rates of participation of (a) recent high school graduates and nontraditional students, and (b) individuals pursuing graduate degrees

About This Measure

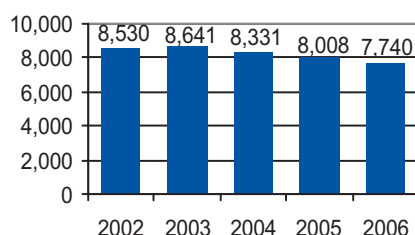
The Fall 2006 beginning freshmen enrollment of 7,075 is slightly higher (0.1 percent) than the Fall 2005 enrollment of 7,064. However, there has been a significant decline (1,661) since beginning freshmen enrollment peaked in 2003.

According to a 2003 Western Interstate Commission on Higher Education (WICHE) report titled *Knocking at the College Door*, this trend will continue. WICHE projects the number of public high school graduates in North Dakota will decrease by 30.6 percent between 2001–02 and 2017–18.

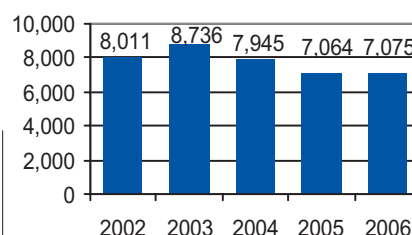
There is a slight decrease in non-traditional student (age 25 and older) participation in Fall 2006 (10,704) compared to Fall 2005 (10,730); however, non-traditional enrollments show a 13.9 percent increase over the past five years.

Increased availability and access to graduate programs is benefiting students who want to pursue graduate degrees. Enrollment of students pursuing graduate or first professional degrees has increased 23.7 percent in the past five years. In Fall 2002, 3,618 students were enrolled in graduate and professional programs. In Fall 2006, this number increased to an all-time high of 4,477.

North Dakota High School Graduates



NDUS Beginning Freshmen¹



Who's enrolling at NDUS institutions?

Beginning freshmen enrollment increased by 0.1 percent between Fall 2005 and Fall 2006. Enrollment of non-traditional students increased 13.9 percent between Fall 2002 and Fall 2006. The number of students enrolled in graduate and first professional programs increased 23.7 percent since Fall 2002.

Participation Rates of Non-Traditional Students²

Year	# Students		
	Total NDUS Enrollments	Age 25 and Older	Participation Rate
2002	39,614	9,401	24%
2003	41,620	10,015	24%
2004	42,503	10,425	24%
2005	42,082	10,730	26%
2006	42,237	10,704	25%

NDUS Graduate Degree Participation Rates²

Year	NDUS Graduate/Prof. Participation	
	Total NDUS Enrollments	Students Rate
2002	39,614	3,618 9%
2003	41,620	4,020 10%
2004	42,503	4,229 10%
2005	42,082	4,331 10%
2006	42,237	4,477 11%

¹ Includes all freshmen entering college for the first time, regardless of residency or high school graduation date.


² Includes both resident and non-resident enrollments.



Roundtable Cornerstone 5

Funding and Rewards

A system of funding, resource allocation, and rewards that assures quality and is linked to the expressed high priority needs and expectations of the University System – assures achievement of the expectations envisioned



Net Assets Available for Debt Service Compared to Long-Term Debt

Measure FR1

(Legis. 5.c.)

Ratio measuring the amount of expendable net assets as compared to the amount of long-term debt

Is the NDUS able to cover its debts?

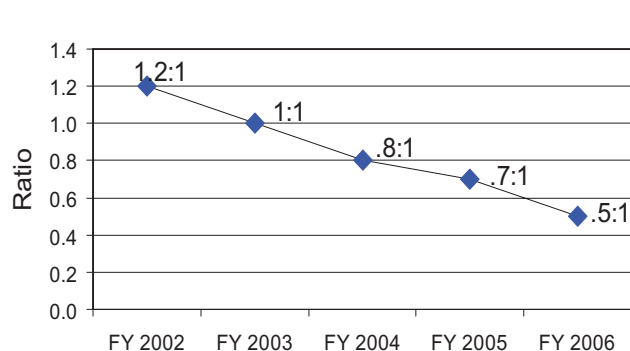
The NDUS ratio of net assets available for debt service to long-term debt is 0.5:1 as of the end of FY 2006. A ratio of 1:1 or greater is desired (see explanation at right).

About This Measure

This ratio measures the availability of net assets to cover debts should the NDUS need to immediately settle its obligations. Net assets available for debt service are those that can be quickly accessed and spent. Net assets invested in capital assets, less the related debt, are the largest component of net assets for the NDUS, but are excluded from this calculation because they are not quickly convertible to cash. Restricted assets also are excluded from this calculation because they cannot be accessed for debt service. A ratio of 1:1 or greater indicates that net assets available for debt service are sufficient to satisfy debt obligations in the event all debts would become immediately payable.

For FY 2006, the NDUS had a ratio of .5:1, down from 1.2:1 in FY 2002. The decreasing ratio since FY 2002 is due to a \$153.5 million net increase in long-term debt (including the *ConnectND* bond of \$14 million; debt of a related, but separate legal entity of \$26 million; and auxiliary and housing bonds of \$118 million), with a corresponding increase of only \$1.7 million in net assets available for debt service. Although the FY 2006 ratio is less than 1:1, it is highly unlikely that a condition or circumstance would trigger the immediate payment of all outstanding debt. The system historically has had sufficient resources to cover its annual debt service payments and anticipates the same in the future as revenue sources, which will create the future revenue streams to cover the new additional debt, are already in place.

Ratio of Net Assets Available for Debt Service to Long-Term Debt¹



FY 2006

Net assets available for debt service:

Unrestricted net assets	\$114,272,087
Expendable debt service	<u>14,318,420</u>
	\$128,590,507

Notes, bonds, leases and special assessments payable

	\$251,137,836
--	---------------

\$128,590,507

\$251,137,836 = **0.5:1**

¹ Previously reported ratios for FY 2002–2004 have been restated, per auditor suggestion, to include only expendable debt service in the expendable net assets total, as opposed to all restricted expendable net assets.

¹ Includes related entities, such as the NDSU Extension Service, Research Centers and the UND Medical School, as well as the *ConnectND* debt included in the NDUS Office financials.

Data Source: FY 2006 NDUS audited financial statements.

State General Fund Appropriations and Total Fund Revenues

Measure FR2

(Legis 4.c.)

Cost per student in terms of general fund appropriations and total University System funding

About This Measure

This measure analyzes whether the NDUS's annual state general fund and total fund revenues are increasing or decreasing when calculated on a per-student basis. The measure also shows whether the state is contributing a larger or smaller proportion of the total cost over time. Because expenditure data by revenue source is not included in the audited annual financial statements, revenues are used as the basis for this measure.

The measure is presented in two ways. Calculation 1 includes unrestricted revenues and state general fund appropriations. Calculation 2 also includes restricted revenues. The term "restricted" describes revenues restricted in use by the grant, donor or other source.

Using Calculation 1, \$5,602 (37 percent) of FY 2006 funding was provided through state general funds, and \$9,503 (63 percent) came from unrestricted sources, such as tuition and fees³. According to this calculation, FY 2006 per-student funding totaled \$15,105.

Using Calculation 2, the state general fund contribution did not change; however, it equaled a smaller percentage of the total financial picture because restricted funds⁴ were added to the equation. In FY 2006, the \$5,602 general fund contribution equaled 26 percent of the per-student cost, and the unrestricted and restricted total of \$16,011 provided 74 percent of per-student funding for a total of \$21,613.

State General Fund Appropriations and Total Fund Revenues per Full-Time Equivalent (FTE) Student FY 2006

	Revenues ¹ (millions)	%	Per FTE ²
Calculation 1			
Unrestricted ³	\$330,866	63%	\$9,503
State general fund appropriations	<u>195,040</u>	<u>37%</u>	<u>5,602</u>
Total	\$525,906	100%	\$15,105
Calculation 2			
Unrestricted & Restricted ⁴	\$557,480	74%	\$16,011
State general fund appropriations	<u>195,040</u>	<u>26%</u>	<u>5,602</u>
Total	\$752,520	100%	\$21,613

What portion of the per-student cost is covered by general fund appropriations?

In FY 2002, general fund appropriations provided 32 percent of the total NDUS revenues. In FY 2006, the general fund share was 26 percent.

¹ Includes revenues for related entities, such as the NDSU Extension Service and Research Centers and the UND Medical School, but excludes the NDUS Office.

² There were 34,018 FTE students in FY 2006.

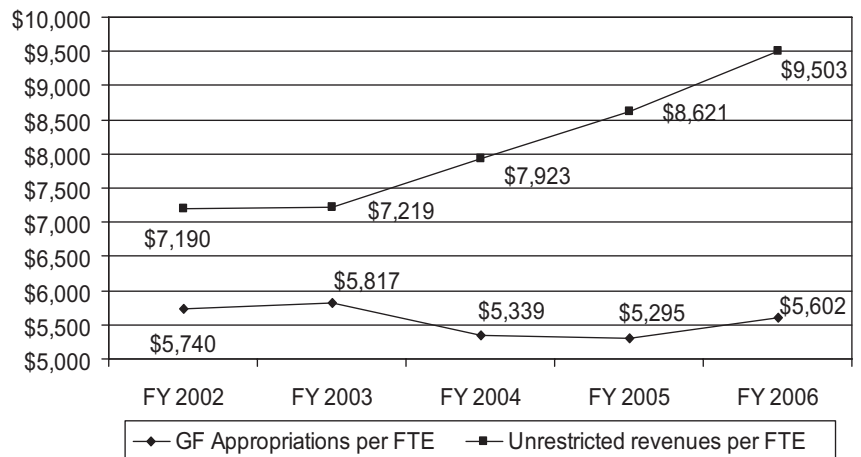
³ Unrestricted revenues = student tuition and fees, auxiliary enterprises, educational sales and services, other operating revenues and investment income.

⁴ Restricted revenues = grants and contracts, gifts and federal appropriations restricted in use.

Data Source: FY 2006 NDUS audited financial statements and 2005–06 annualized enrollment schedule.

Looking at per-student cost from another perspective, since FY 2002, FTE students have increased 9.3 percent while state general fund appropriations have not kept pace. As a result, the general fund appropriation per FTE student has fallen from \$5,740 in FY 2002 to \$5,602 in FY 2006, a decrease of 2.4 percent. Significant increases in tuition and fees and other student charges have been needed to offset declining per-student general fund appropriations.

**Funding per Full-Time Equivalent (FTE) Student
(Calculation 1)
FY 2002 through FY 2006**



Cost per Student and Percentage Distribution by Major Function

Measure FR3

(Legis. 5.a.)

Cost per student and percentage distribution by major function

How much does the NDUS spend per student each year and how are NDUS resources allocated?

In FY 2006, the NDUS spent \$17,320 per student from all funding sources, an increase of 17.6 percent since FY 2002. The majority of funds were spent in support of core services (57 percent), and the remaining funds were spent in support services and student aid (15 percent) and administration and physical plant (16 percent).

About This Measure

This measure analyzes changes in total costs per full-time equivalent (FTE) student and use of institutional resources by category of expenses. These categories and their components are:

Core Services: These costs are directly linked to the core mission of the campuses and include expenses for instruction, research and public service.

Support Services and Student Aid: Support services include academic support and student services that also support the missions of the campuses. Aid to students includes scholarships and fellowships.

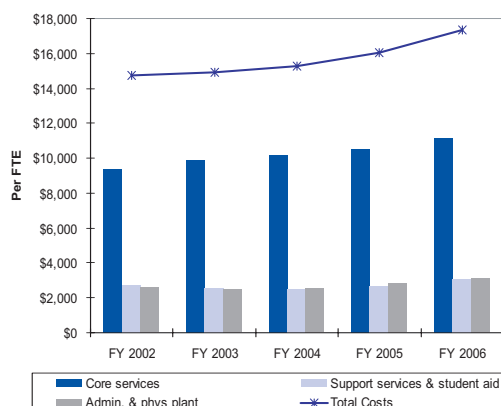
Administration and Physical Plant: This category includes institutional support (the presidents' office, business office and budget office) and maintenance of the physical plant, excluding depreciation.

Cost Per Student

In FY 2006, the average total cost per FTE student was \$17,320. Between FY 2002 and FY 2006, total cost per FTE student increased 17.6 percent. Core services costs per FTE student rose 18.9 percent in the same time period. Rising health care and utility costs are the primary reason for the increase.

During the same period, combined support services and administration and physical plant costs per FTE student increased 15.3 percent.

Costs per Full-Time Equivalent (FTE) Student



Cost per Student and Percentage of Distribution by Major Function¹ FY 2006

Expenses	Cost Per Student (Expense/FTE)	% of Funding ² (Expense/Revenues)
Core Services:		
Instruction	\$ 234,582,282	\$6,737 35%
Research	110,551,619	3,175 16%
Public service	41,865,928	1,202 6%
	<u>\$ 386,999,829</u>	<u>\$11,114 57%</u>
Support Services:		
Academic support	\$ 53,329,416	\$1,532 8%
Student services	31,986,676	919 5%
Scholarships & fellowships	21,928,283	630 2%
	<u>\$ 107,244,375</u>	<u>\$3,081 15%</u>
Administration and Physical Plant:		
Institutional support	\$ 59,713,356	\$1,715 9%
Operation and maintenance of plant	49,086,100	1,410 7%
	<u>\$ 108,799,456</u>	<u>\$3,125 16%</u>
Total average cost per student	<u>\$17,320</u>	
FTE Students	<u>34,818</u>	
Revenues		
Total Revenue ³	\$ 752,519,586	
Less: Auxiliary revenue	(80,607,774)	
Total revenues (excluding auxiliary)	<u>\$ 671,911,812</u>	

¹ Includes NDSU and UND-related entities, such as NDSU Extension Service and Research Centers and the UND Medical School, but excludes the NDUS Office.

² Expenditures divided by total revenue less auxiliary revenue.

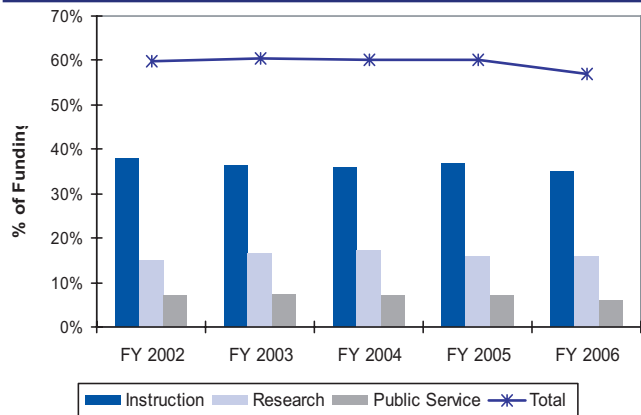
³ Total revenues from Measure FR2, calculation #2.

Data Source: NDUS audited financial statements.

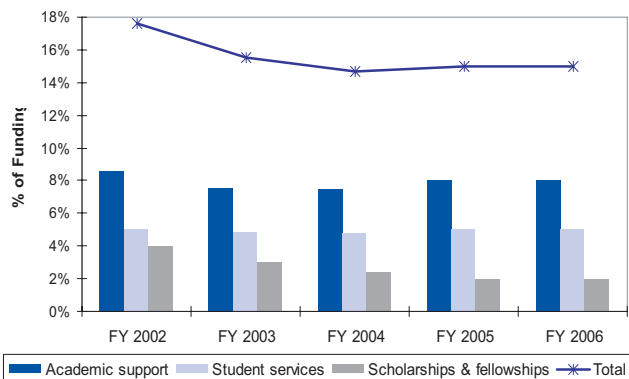
Percentage Distribution by Major Function

In FY 2006, the NDUS spent 57 percent of its total combined revenues and state appropriations (excluding auxiliary revenues) on core services, 15 percent on support services and student aid and 16 percent on administration and physical plant.

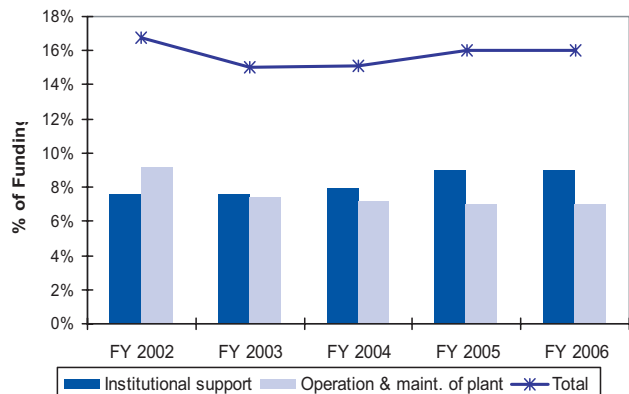
Core Services: The percentage of funding used for core services dropped to 57 percent in FY 2006 after several years of funding at 60 percent. The slight decline in enrollment in FY 2006 is likely the cause.



Support Services and Student Aid: Funding for this category of expenses has remained relatively stable in the last three years.



Administration and Physical Plant: The percentage of funding for institutional support and physical plant has remained relatively stable in the last three years, even as the cost basis of the infrastructure and buildings has increased from \$682 million to \$833 million since FY 2002. As funding becomes tight, deferred maintenance activities are delayed because of more pressing, immediate needs.



Per Capita General Fund Appropriations for Higher Education

Measure FR4

(Legis. 4.d.)

Per capita general fund appropriations for higher education

About This Measure

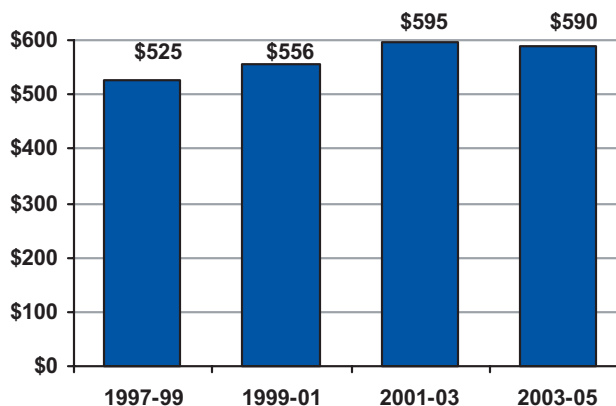
This measure demonstrates whether the state, on an individual per-capita basis, is providing an increasing or decreasing amount of funding to the colleges and universities over time.

The average per-capita state general fund appropriation for the 2003–05 biennium was \$590. These funds are appropriated by the Legislative Assembly for the general operation of the campuses and related entities.

2005–07 data will be available upon completion of the FY 2007 audited financial statements.

Per-Capita State General Fund Appropriations for Higher Education^{1,2}

1997–99 through 2003–05 Biennia



To what extent do North Dakota taxpayers provide financial support for NDUS students?

In the 2003–05 biennium, per-capita state general fund revenue for higher education was \$590.

¹ Includes related entities, such as NDSU Extension Service and Research Centers and the UND Medical School, but excludes the NDUS Office.

² Per capita state general fund revenue = state appropriations (excluding capital assets) ÷ North Dakota population.

Data Source: NDUS annual audited financial statements; Population Division, US Census Bureau; www.census.gov/popest/estimate.php.

State General Fund Appropriations Compared to Peer Institutions

Measure FR5

(Legis. 4.e.)

State general fund appropriation levels for University System institutions compared to peer institutions' general fund appropriation levels

About This Measure

This measure demonstrates each college and university's position relative to its peer benchmark.

The amounts included in this report reflect 2005–07 state general fund levels for NDUS institutions compared to peer benchmarks. All NDUS colleges and universities are funded at less than 100 percent of their peers. NDUS institutions, as a whole, are funded at an average of 51 percent of their peer benchmarks.

State General Fund Appropriation Levels As a Percent of Peer Benchmark¹

(In Millions)
2005–07 Biennium

	NDUS Campuses 2005–07 Approp.	Peer Benchmark	NDUS Campus as a Percent of Benchmark
Bismarck State College	\$17.3	\$33.8	51%
Dickinson State University	14.7	31.0	47%
Lake Region State College	5.8	12.7	46%
Mayville State University	9.0	12.7	71%
Minot State University	27.2	41.3	66%
MiSU-Bottineau	4.3	6.1	71%
ND State College of Science	25.0	28.8	87%
North Dakota State University ²	76.7	189.3	41%
University of North Dakota ³	124.2	246.0	50%
Valley City State University	11.8	14.6	81%
Williston State College	5.7	9.3	62%
Total NDUS	\$321.7	\$625.6	51%

¹ Benchmarks are based on FY 2004 financial data and Fall 2003 enrollment data for the new peer institutions established in 2006.

² Excludes ag extension and experiment stations.

³ Includes medical school.

Data Source: NDUS Long-Term Finance Plan and Resource Allocation Model.

How well does North Dakota fund its public institutions compared to peer institutions?

Based on 2005–07 state funding levels, all NDUS institutions are funded at less than 100 percent of their peer institution benchmarks, and most are funded at less than 85 percent of their peer benchmarks. NDUS institutions, as a whole, are funded at an average of 51 percent of their peer institution benchmarks.

Operating and Contributed Income Ratio

Measure FR6

(Legis. 5.b.)

Ratio measuring the funding derived from operating and contributed income compared to total University System funding

What percent of NDUS revenues are self-generated?

In FY 2006, the NDUS generated 74 percent of its total revenues, either internally from fees for services or externally from gifts, grants and contracts. The four-year trend indicates the campuses are generating an increasing share of total revenues.

About This Measure

This measure analyzes the portion of overall University System funding that is self-generated. These funds include operating income, which is generated internally by the campuses on a fee-for-service basis, and contributed income, which is generated externally through contributions received from alumni, corporations, foundations and others. This total includes revenue sources that are restricted in use by the donor, grantor or other source.

Up from 68 percent in FY 2002, the NDUS generated 74 percent of its total revenue from operating and contributed income sources in FY 2006. This increase demonstrates that the campuses are generating an increasing share of their total revenues.

Because changes in financial statement presentation were put into place in FY 2002, data from that year provides the baseline for trend development.

Operating and Contributed Income Ratio¹ (In Millions) FY 2006

Self-generated revenues

Tuition and fees	\$198,904
Federal appropriations	6,002
Federal grants and contracts	151,959
State grants and contracts	22,579
Private gifts, grants/contracts	43,928
Sales and services – Ed. Depts.	42,460
Investment and endowment income	7,682
Auxiliary enterprise	80,608
Other operating revenue	<u>3,358</u>
Total self-generated revenues	\$557,480

Total all revenues²

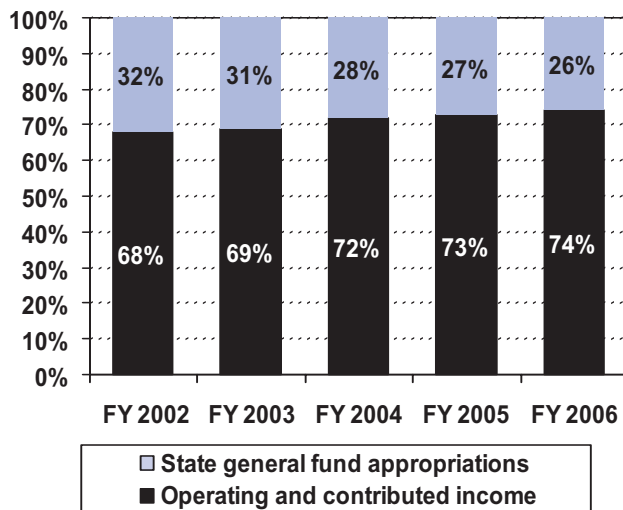
Operating and Contributed Income Ratio	<u>\$557,480</u>	
	\$752,520	= 74%

¹ Includes related entities, such as the NDSU Extension Service and Research Centers and the UND Medical School, but excludes the NDUS Office.

² Total revenues from Calculation 2 of Measure FR2.

Data Source: FY 2006 NDUS audited financial statements.

**Funding Sources
FY 2002 through FY 2006**



Primary Reserve Ratio

Measure FR7

(Legis. 5.e.)

Ratio measuring the amount of expendable net assets divided by operating expenses

About This Measure

In current financial statement terminology, this ratio measures the amount of expendable net assets compared to operating expenses.

This ratio measures the ability of the NDUS to continue operating at current levels, within current restrictions, without revenue. Expendable net assets are those that can be quickly accessed and spent. Net assets invested in capital assets, less the related debt, are the largest component of net assets for the NDUS, but are excluded from this calculation because they are not quickly convertible to cash. Restricted assets also are excluded from this calculation because they cannot be accessed for general operations.

For FY 2006, the NDUS had a ratio of 0.3:1, which indicates that in an emergency situation, the University System could continue its current operations for about 14 weeks.

In an emergency situation, how long could the NDUS continue its current operations without revenue?

The NDUS had a primary reserve ratio of 0.3:1 as of the end of FY 2006, which indicates it could continue operations for about 14 weeks.

Primary Reserve Ratio¹

FY 2006

Expendable Net Assets:

Unrestricted net assets	\$114,272,087
Expendable net assets	<u>92,325,084</u>
	\$206,597,171

Operating Expenses

\$734,116,157

\$206,597,171

\$734,116,157 = **0.3:1**

¹ Includes related entities such as NDSU Extension Service and Research Centers and the UND Medical School.

Data Source: FY 2006 NDUS audited financial statements.

Net Income Margin

Measure FR8

(Legis. 5.f.)

Ratio measuring increase in net assets divided by total revenues

About This Measure

In current financial statement reporting terminology, this margin is calculated by dividing the current year's increase in net assets by the total revenues. This margin is an important measure of an institution's financial status in terms of current year operations. A negative net income margin results when an institution's current year expenditures exceed its current year revenues, requiring the college or university to draw on reserves or creating deficit spending. A positive net income margin indicates that the institution experienced a net increase in current year fund balances. A positive FY 2006 margin of 3.7 percent signifies the University System is not spending more than it is taking in.

Is the NDUS spending more than it is taking in?

The NDUS had a net income margin of 3.7 percent as of the end of FY 2006, indicating the system was not spending more than was taking in.

Net Income Margin¹ FY 2006

Increase in net assets	\$28,361,243	
Total revenues	\$776,245,059	
	<u>\$28,361,243</u>	
	\$776,245,059	= 3.7%

¹ Includes related entities such as NDSU Extension Service and Research Centers and the UND Medical School.

Data Source: FY 2006 NDUS audited financial statements.

Status of NDUS Long-Term Finance Plan

Measure FR9

(SBHE-7)

Higher education financing – a status report on higher education financing as compared to the Long-Term Finance Plan

About This Measure

This measure is intended to demonstrate progress toward achieving the funding goals of the NDUS Long-Term Finance Plan adopted in 2001 and revised in 2006. It includes the following components: (1) operating fund benchmarks per FTE student (2) state/student share targets and (3) capital asset funding targets.

An operating fund benchmark per FTE student, comprised of state appropriations and net tuition and fee revenues, was established for each NDUS institution, based on a revised group of peer institutions. Although all NDUS colleges and universities were funded at less than their benchmarks for the 2003–05 biennium, the following table illustrates a wide range of variances, from NDSU, which is at 52 percent of its benchmark, to NDSU, which is at 94 percent of its benchmark.

Continued, Page 50

State Appropriations and Net Tuition and Fees As a Percent of Benchmark per FTE Student 2003–05 Biennium

(Based on the new set of peers adopted in 2006)

How well are NDUS colleges and universities funded when compared to the Long-Term Finance Plan?

All colleges and universities were funded at less than their operating benchmarks per FTE student. All colleges and universities exceeded the student share portion of the state/student share targets in FY 2006. NDUS institutions were funded at an average of 13.4 percent of the Office of Management and Budget capital assets formula and at 4.2 percent of total capital funding needs, including outstanding deferred maintenance.

	NDUS Institutions ¹ per FTE	Benchmark ² per FTE	Percent of Benchmark
Bismarck State College	\$5,488	\$7,790	70%
Dickinson State University	5,621	10,330	54%
Lake Region State College	5,309	8,970	59%
Mayville State University ³	7,868	11,910	66%
Minot State University	6,882	9,700	71%
MiSU-Bottineau	5,753	8,310	69%
ND State College of Science	8,169	8,690	94%
North Dakota State University ⁴	7,607	14,590	52%
University of North Dakota ⁵	11,363	16,960	67%
Valley City State University ³	8,829	11,430	77%
Williston State College	5,564	8,330	67%

¹ NDUS state appropriation and net tuition and fees per FY 2004 and FY 2005 financial statements, plus (minus) adjustments described in additional footnotes, divided by average Fall 2003 and 2004 student count (75 percent FTE, 25 percent headcount) per revised Long-Term Finance Plan.

² Benchmarks are based on FY 2004 financial data and Fall 2003 enrollment data of the new peer institutions that were established in 2006. This is the latest verified data, excluding ag for NDSU, and is the data utilized in the 2007–09 biennial budget request.

³ Technology revenues subtracted from tuition revenues for 2003–05 (Mayville = \$790 per FTE student, Valley City = \$916 per FTE student).

⁴ NDSU 2003–05 state appropriations are reduced for: HECN (\$321 per FTE student), Ag Extension and Experiment (\$2,425 per FTE student) and flood appropriations (\$79 per FTE student).

⁵ UND 2003–05 state appropriations are reduced for: HECN, IVN and ODIN (\$494 per FTE student), and flood appropriations (\$65 per FTE student).

Data Source: IPEDS Fall 2003 and Fall 2004 Enrollment Data, NDUS Long-Term Finance Plan and FY 2004 and FY 2005 NDUS audited financial statements.

Status of NDUS Long-Term Finance Plan (continued)

Funding higher education is a responsibility shared among the stakeholders: the state, the students and the institutions. Both state and student share targets were established for each type of NDUS institution in the Long-Term Finance Plan. The actual state/student share percentages compared to their targets are reflected in the table below. Timing of the drawdown of state-appropriated funds between fiscal years will cause the state/student shares to fluctuate between the two years of the biennium. The biennial percentages are included in the table to reflect the total state/student shares for the biennium to minimize these timing differences.

State (State Appropriations) and Student (Net Tuition and Fees) Shares Compared to Target Shares Per Long-Term Financing Plan¹

	State Share (State Appropriations)					Student Share (Net Tuition & Fees)				
	FY 2004	FY 2005	Bienn. 2003-05	FY 2006	Target	FY 2004	FY 2005	Bienn. 2003-05	FY 2006	Target
BSC	49%	50%	50%	51%	75%	51%	50%	50%	49%	25%
DSU	59%	54%	56%	51%	70%	41%	46%	44%	49%	30%
LRSC	51%	49%	50%	50%	75%	49%	51%	50%	50%	25%
MaSU ²	76%	66%	70%	68%	70%	24%	34%	30%	32%	30%
MiSU	61%	55%	58%	54%	65%	39%	45%	42%	46%	35%
MiSU-B	75%	70%	73%	70%	75%	25%	30%	27%	30%	25%
NDSCS	69%	64%	66%	61%	75%	31%	36%	34%	39%	25%
NDSU ³	47%	38%	42%	41%	60%	53%	62%	58%	59%	40%
UND ⁴	42%	43%	42%	38%	60%	58%	57%	58%	62%	40%
VCSU ²	77%	68%	73%	65%	70%	23%	32%	27%	35%	30%
WSC	65%	66%	65%	66%	75%	35%	34%	35%	34%	25%
NDUS Average	49%	46%	48%	45%		51%	54%	52%	55%	

¹ Post GASB 34/35 data is used in the 2005 calculations, thereby requiring re-statement of prior years' data.

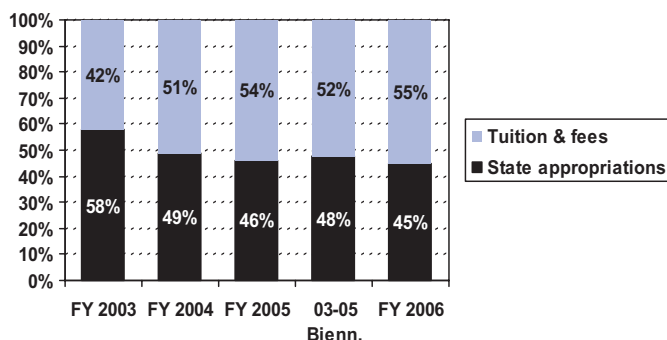
² Technology revenues subtracted from tuition revenues: Mayville \$1,203,401 (2003-05) and \$688,930 (FY 2006); Valley City \$1,672,387 (2003-05) and \$517,004 (FY 2006).

³ NDSU state appropriations reduced for: HECN \$6,940,288 (2003-05) and \$4,011,060 (FY 2006); Ag Extension and Experiment \$52,460,500 (2003-05) and \$25,831,147 (FY 2006); and flood appropriations \$1,700,000 (2003-05).

⁴ UND state appropriations reduced for: HECN, IVN and ODIN \$11,952,482 (2003-05) and \$6,045,869 (FY 2006); and flood appropriations \$1,571,000 (2003-05).

Data Source: IPEDS Fall 2003 and Fall 2004 Enrollment Data, NDUS Long-Term Finance Plan and FY 2004, FY 2005 and FY 2006 NDUS audited financial statements.

NDUS Average State and Student Shares



In 2006, none of the 11 institutions met their student share targets. For the colleges and universities to meet these targets, a higher proportion of funding must be provided by the state.

The capital asset funding model calls for funding all institutions at 100 percent of the 2005–07 OMB building and infrastructure formula (\$49.7 million), phased in over 10 years, plus 100 percent funding of outstanding deferred maintenance (\$109.2 million), phased in over 14 years.

The 2005–07 capital asset appropriation for all NDUS institutions, excluding major capital projects, was \$6.7 million, compared to the total outstanding needs of \$158.9 million as determined by the capital asset funding model.

NDUS institutions are funded at an average of 13.4 percent of the OMB formula, ranging from 6.2 percent at LRSC to 20.6 percent at MiSU-B. Overall, NDUS institutions are funded at 4.2 percent of the total needs of \$158.9 million, including deferred maintenance, ranging from 2 percent at MaSU to 7.6 percent at NDSCS.

Capital Asset Funding Model Compared to 2005–07 Capital Asset Appropriation

	Capital Asset Formula			Current 2005–07 Appropriation		
	OMB Bldg & Infrastructure*	Deferred Maintenance	Outstanding Needs	Total 2005–07 Appropriation**	Current % OMB Formula	% Total Combined Needs
BSC	\$1,801,378	\$1,776,643	\$3,578,021	\$243,481	13.5%	6.8%
DSU	1,891,855	10,435,359	12,327,214	383,690	20.3%	3.1%
LRSC	708,795	215,497	924,292	43,662	6.2%	4.7%
MaSU	1,222,071	9,426,560	10,648,631	208,994	17.1%	2.0%
MiSU	3,392,542	8,263,800	11,656,342	596,870	17.6%	5.1%
MiSU-B	533,315	1,729,848	2,263,163	109,725	20.6%	4.8%
NDSCS	4,357,796	5,511,781	9,869,577	753,332	17.3%	7.6%
NDSU	12,432,651	28,783,963	41,216,614	1,692,226	13.6%	4.1%
UND	20,750,839	33,055,372	53,806,211	2,300,545	11.1%	4.3%
VCSU	1,560,967	8,431,917	9,992,884	258,416	16.6%	2.6%
WSC	1,028,778	1,542,938	2,571,716	86,475	8.4%	3.4%
TOTAL	\$49,680,987	\$109,173,678	\$158,854,665	\$6,677,416	13.4%	4.2%

* OMB formula generated amount.

** One-time appropriations have been excluded from the total 2005–07 appropriation column for the following: MaSU, \$150,000 repairs in Old Main; MiSU, \$80,000 repairs in Student Union; and WSC, \$90,000 repairs in Stevens Hall.

Ratio of Incentive Funding to NDUS Total State Funding

Measure FR10

(SBHE-8)

Ratio of incentive funding to total NDUS state general fund appropriations

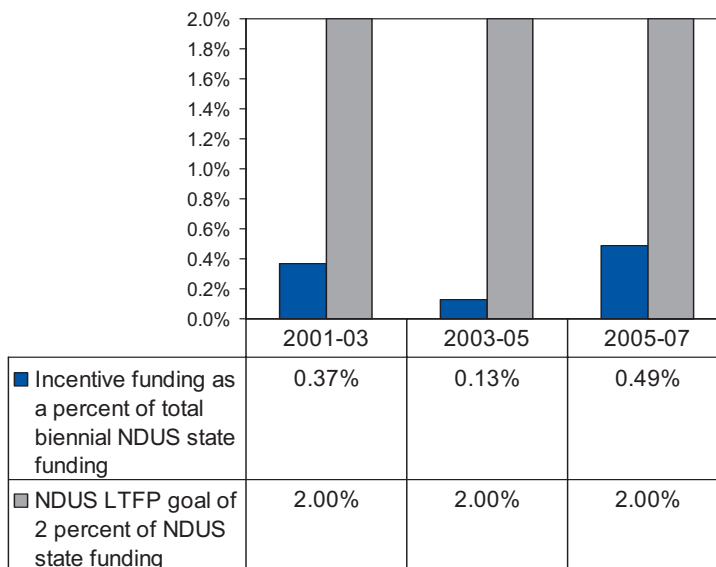
About This Measure

This measure reports on progress toward achieving the NDUS Long-Term Finance Plan goal of providing incentive funding equal to 2 percent of higher education's total state general fund appropriation. Known as the Board Initiative Fund, these monies are allocated by the State Board of Higher Education to support University System and state priorities.

For the 2005-07 biennium, \$1,885,000 was appropriated for the Board Initiative Fund. This is equivalent to .49 percent of the 2005-07 state general fund appropriation for higher education. The recommended level of 2 percent would be equal to \$7.8 million for the 2005-07 biennium or \$3.9 million per year.

The following chart shows the legislative appropriation for the Board Initiative Fund in comparison to the 2 percent goal over the past three biennia.

Percentage of Total NDUS State Funding Appropriated for Incentive (Board Initiative) Funding Compared to Long-Term Finance Plan Goal 2001-03 through 2005-07 Biennia



Data Source: NDUS Long-Term Finance Plan and 2001, 2003 and 2005 Legislative Appropriations.

How well does North Dakota provide funding for state priorities, compared to the Long-Term Finance Plan?

The state funded .49 percent of the total NDUS appropriation for incentive funding for the 2005-07 biennium, compared to the Long-Term Finance Plan goal of 2 percent.

Ratio of NDUS General Fund Appropriation to Total State General Fund Appropriation

Measure FR11

(SBHE-9)

Ratio of NDUS state general fund appropriation levels to total state general fund appropriations

About This Measure

This measure reports on public higher education's share of total state general fund appropriations.

Over the past five biennia, higher education's share of the total state budget has decreased from 20.3 percent in 1997-99 to 19.5 percent in 2005-07 with a peak of 21 percent in 2001-03. Although the percentage differences may not seem significant, the NDUS would have received an additional \$16 million in 2005-07 if funded at the 1997-99 level of 20.3 percent. The NDUS would have received \$30 million more in 2005-07 if funding continued at the 2001-03 level of 21 percent as recommended by private sector members of the Roundtable on Higher Education.

At the same time higher education's share of the state budget has decreased, enrollment has increased steadily from 28,278 FTE students in Fall 1997 to 35,374 in Fall 2006, an increase of more than 7,000 students or 25 percent. Higher education's 2005-07 share of 19.5 percent includes \$1.35 million in state funding for workforce training included in the State Board for Career and Technical Education appropriation.

NDUS State Appropriation as a Percent of Total State Appropriation 1997-99 through 2005-07 Biennia

<u>Biennium</u>	<u>NDUS State Appropriation (In Millions)¹</u>	<u>Total State Appropriation (In Millions)</u>	<u>Percent of NDUS to Total State Appropriation</u>
1997-99	\$302.24	\$1,489.24	20.3%
1999-01	\$327.41	\$1,594.04	20.5%
2001-03	\$366.95	\$1,746.98	21.0%
2003-05	\$362.89	\$1,803.66	20.1%
2005-07	\$388.51	\$1,989.45	19.5%

¹ Excludes NDSU Ag Extension and Research Centers.

How much of the total state budget is being invested in higher education?

Higher education's share of the 2005-07 total state appropriation is 19.5 percent, a decrease from 21 percent in 2001-03.

Campus Activities Align with Roundtable Expectations

Fundamental changes are taking place on the 11 campuses that make up the North Dakota University System. These changes demonstrate the system's commitment to attaining the goals of the Roundtable Report and to meeting the expectations of SB 2003. Highlights of 2006 accomplishments follow.

Bismarck State College (BSC)

- Groundbreaking took place in May 2006 for BSC's National Energy Center of Excellence. The center received \$3 million in the first round of awards provided through the North Dakota Centers of Excellence for Economic Development. The BSC center focuses on education of multi-skilled technicians for the energy industry on a national scale. Completion is expected in May 2008.
- BSC coordinated training for 2,830 people from 231 businesses in the Southwest Workforce Training Region during 2005-06. Additional training was requested by 85 businesses, and 99 percent of all companies were satisfied with their training. Clients requested more technical training, which supports the type of positive economic growth being experienced in the southwest region.
- About 75 students attend classes at BSC's Allied Health Campus in downtown Bismarck. The remodeled space was occupied by BSC in 2005 and features state-of-the art equipment. Programs located there are the Dakota Nursing Program (practical nursing and associate degree nursing), surgical technology and certified nursing assistant programs, and massage therapy offered in collaboration with Williston State College.
- Construction began in August 2006 on a facility in Mandan to house BSC's Mechanical Maintenance Technology program. The 11,700 sq. ft. building will be called the BSC-Mandan Campus. The program begins in January 2007 and will educate technicians who install, repair and maintain industrial production and processing equipment. Funding sources include a U.S. Department of Labor earmark, MIDA bonds and \$200,000 from the Mandan Growth Fund.
- Two BSC students were elected to international and national offices in student organizations. Preston Schmidt was elected international vice president of Division III of Phi Theta Kappa, the international honor society of two-year colleges, in April 2006. Catherine Klein was elected president of the American Student Association of Community Colleges in June 2006.

Dickinson State University (DSU)

- In Fall 2006, DSU recorded record fall enrollment for the 11th consecutive year. Enrollment hit 2,572 students, a 2 percent increase over last year. Contributing to the university's growth are increasing numbers of nontraditional and international students. The number of adult learners rose to 582, up 20 percent from a year ago, while 260 international students from 28 countries enrolled.
- The DSU Foundation achieved its third consecutive year of record growth after receiving \$3.45 million in gifts during the past fiscal year. Two gifts totaling \$2.5 million helped to bring foundation assets to an all-time high of \$10.2 million.

- DSU's 2005-06 Graduate Placement Survey shows that 98.7 percent of graduates obtained employment or are choosing to continue their education. Also, 93 percent of the North Dakota residents who graduated from DSU and found jobs are working in the state, while 59 percent of the employed non-resident graduates are working in North Dakota.
- DSU's Center for Entrepreneurship and Rural Revitalization received \$1.15 million and was designated a Center of Excellence. The center will focus on revitalizing the state's economy by encouraging and supporting entrepreneurs and fostering an entrepreneurial spirit in the region.

Lake Region State College (LRSC)

- Liudmila Tarasiuk has been named the New Century Scholar from North Dakota. Sponsored by the Coca Cola Company in cooperation with the American Association of Community Colleges and Phi Theta Kappa, New Century Scholars represent the top community college student in each of the 50 states. Tarasiuk will receive a \$2,000 scholarship for the honor.
- LRSC's 2006 graduating practical nurses and associate degree nurses earned a 100 percent NCLEX-PN and RN first-time pass rate. The NCLEX is a national licensing exam for nursing. Nursing students at LRSC are part of the Dakota Nursing Program, which is a partnership between LRSC, BSC, WSC and MiSU – B.
- In cooperation with the Fargo Police Department, LRSC graduated 25 students from its summer police academy in August. This is the fifth academy conducted in partnership with the Fargo Police Department. More than 100 police officers have graduated from the academy; a large percentage of them are working as police officers in the Fargo area.
- The Northeast Education Services Cooperative welcomed Maddock Public School as a new member at its October meeting. Formed in January 2002, the cooperative has 17 member school districts. The cooperative permits coordination of education services and provides opportunities for shared and new services for school districts. LRSC and Cankdeska Cikana Community College are sponsoring partners.
- The Dakota Center for Technology-Optimized Agriculture made great strides in 2006. Funded through a \$450,000 Centers of Excellence grant, the center is a partnership between LRSC and three private sector partners. The center added staff and worked with "answer farms" in the seeding of spring wheat using the latest technologies from start to finish. The staff now is analyzing 2006 crop results.

Mayville State University (MaSU)

- MaSU is administering a \$99,200 U.S. Department of Labor grant providing workforce training through internships. Rural businesses are benefiting from the funding of 40 internships through the program. The Traill County Technology Center at MaSU has served as home to four businesses that now have transitioned into the Mayville-Portland community.
- MaSU received a \$500,000 gift from alumna Connie Tharaldson and her husband Gary. The gift is the largest MaSU has ever received from a living donor. \$400,000 in academic scholarships will be awarded to students from North Dakota with special consideration given to talented student athletes. The remaining \$100,000 will be used for high-priority athletic facility projects.
- MaSU continues to serve 20 K-12 schools in seven counties as coordinator of the Heart-of-the-Valley-ITV Consortium. More than 100 students from the

consortium enrolled in MaSU's dual-credit courses in Fall 2006. Overall, the Heart-of-the-Valley-ITV Consortium provided classes to more than 220 students in Fall 2006.

- MaSU provides an opportunity for place-bound students to complete courses and degrees through its Office of Worldwide Learning. With degree programs in business administration and early childhood, MaSU has doubled its distance enrollment since 2002 and tripled the number of distance degree students in the same time period.
- MaSU is working hard to meet the needs of North Dakota business and industry by enhancing students' hard skills and "soft" skills. MaSU has developed an applied psychology major that includes a series of courses which deal with psychology-related soft skills from group dynamics to team building.

Minot State University (MiSU)

- MiSU signed two articulation agreements with foreign countries in 2006: SIAS International University in the People's Republic of China and Kadir Has University in Turkey. MiSU also is developing faculty and student exchanges with institutions in China and Norway. The university has hired a director to develop international programs.
- David Fuller, MiSU president, and Russell Mason Jr., Fort Berthold Community College president, signed a three-year partnership agreement Dec. 11, 2006. This accord increases FBCC students' options to attain four-year degrees, provides for cultural and faculty exchanges, and promotes service learning. MiSU is exploring similar partnerships with other state tribal colleges.
- MiSU became a smoke-free campus June 1, 2006. Smoking is prohibited on university property, indoors or outdoors, and in vehicles, including personal vehicles parked on university grounds. The policy was established to protect the health and promote the wellness of students, employees and visitors.
- MiSU has established a mentoring program for freshmen to supplement the role of academic advisors. Mentors promote on-campus involvement, provide guidance and foster personal growth. In Fall 2006, about 150 students were teamed up with 43 faculty and staff mentors, serving nearly one-third of MiSU's first-year population.
- Kelly Buettner-Schmidt, MiSU assistant professor of nursing and principal investigator for the Tobacco Education, Research and Policy Project, was presented the national Lillian Wald Service Award in April 2006. It was presented to Buettner-Schmidt by the American Public Health Nursing Association for her activism in the prevention of tobacco use and the promotion of smoke-free environments.

Minot State University-Bottineau (MiSU-B)

- In collaboration with the Dakota Nursing Consortium, MiSU-B enrolled students in an associate degree nursing (ADN) curriculum in Fall 2006. By implementing the program, the college helped reduce the shortage of health care professionals experienced in the area since closure of St. Andrews School of Nursing in 1970.
- The MiSU-Bottineau Logrollers Club and the college foundation hosted fundraising events that together raised \$33,500 for scholarships. In July, the Logrollers held their annual golf tournament. The activity attracted 136 golfers and contributed \$7,000 to the scholarship fund. In September,

the foundation's annual dinner/auction attracted 275 guests, and \$26,500 in auction sales was donated to the fund.

- MiSU-B was approved to offer four new online diploma programs that began Fall 2006, bringing the total number of programs available via this delivery method to 20, up from just one in Fall 2001.
- On July 14, 15 and 16, MiSU-B commemorated its 100th anniversary with a weekend centennial event. About 650 alumni and friends converged on the campus for three days of ceremony, entertainment and reminiscing. It was a "family reunion" for students from the 1930s through recent graduates. People from 33 states and provinces attended.
- "Celebration of Success" fundraising efforts connected with the college's centennial have raised \$65,000. Donations have ranged from \$25 to \$15,000. The funds will be used to supplement MiSU-B's scholarship endowment and for furniture, fixtures and files for the new arts and humanities addition.

North Dakota State College of Science (NDSCS)

- David Rydell, associate professor of automotive technology, was named the American Technical Education Association Northern Plains Region Outstanding Technical Teacher at the regional conference held in October. The annual award recognizes a full-time postsecondary technical instructor from a five-state area. Rydell has taught at NDSCS since 1986.
- The first group of 20 students completed a one-year welding technology certificate program through the Skills and Technology Training Center in Fargo, a division of NDSCS. The Fargo welding lab opened in Fall 2005, designed to meet the need for welders in the state's largest market and funded by grants and business and industry participation. The NDSCS certificate program taught at the STTC is the only accredited postsecondary welding curriculum in Fargo-Moorhead.
- NDSCS announced its new nanoscience technician degree with statewide media coverage in March 2006. The first group of students started classes Fall 2006. The nanoscience technology market is expected to reach \$1 trillion by the year 2010. Many of the estimated two million workers needed to support this market will be technicians.
- Three NDSCS students won national competitions in 2006. Matt Leins and Tony Backes won the Agricultural Mechanics Service Technician Award competition at the 27th annual National Postsecondary Agricultural Student Organization gathering in March in St. Louis, Mo. Casey Martin won the Motorcycle Services Technician competition at the 42nd annual SkillsUSA National Leadership and Skills Conference, held in June in Kansas City.
- NDSCS student Jaden Vettel, Caledonia, N.D., is serving as the national secretary for SkillsUSA during the 2006-2007 academic year. Vettel was chosen as a national officer at the 42nd annual SkillsUSA National Leadership and Skills Conference, held in June in Kansas City. He is a diesel technology student.

North Dakota State University (NDSU)

- Alumni and friends surpassed the goal of Momentum: The \$75 Million Campaign for North Dakota State University, the largest capital campaign in NDSU history. More than \$80 million has been donated and

the campaign remains active.

- After a comprehensive site visit, the North Central Association's Higher Learning Commission granted NDSU full accreditation. The report cited profound changes in the basic components of institutional excellence – people, programs, facilities and funding.
- For the second year in a row, NDSU leads a five-state region in research expenditures, as measured by the National Science Foundation. With more than \$102 million recorded in 2004, NDSU is ranked 122nd among the top 600 research universities. In addition, The Scientist magazine named NDSU one of the best places to work in 2006 for individuals pursuing postdoctoral positions, placing it in the top 35 research institutions in North America.
- NDSU's Fall 2006 enrollment set a record for the seventh year in a row with 12,258 students in the undergraduate and graduate programs. In addition, NDSU graduate student enrollment (1,662) reached an all-time high for the ninth consecutive year.
- A team of seven NDSU civil engineering students won the 15th annual national student steel bridge competition at the University of Utah, Salt Lake City. NDSU is the only school in the nation to win the competition more than once, with previous championships in 1995, 2002 and 2004.

University of North Dakota (UND)

- In November 2005, UND opened the National Suborbital Education and Research Center. At its heart: NASA's DC-8 "flying lab." The five-year, \$30 million cooperative agreement with NASA expands opportunities for researchers and students. NASA was drawn to UND's strengths in environmental, atmospheric, aviation and engineering sciences. The DC-8 has completed several missions under UND management.
- UND broke ground for two research buildings: the \$4 million Northern Plains Center for Behavioral Research, the first building funded by the National Institutes of Health and designated for nursing and behavioral sciences researchers, and the National Center for Hydrogen Technology. UND also started an addition to the Neuroscience Research Center.
- Led by UND Space Studies faculty and students, the North Dakota Space Grant Consortium unveiled a new space suit in the Mars-like North Dakota Badlands in May. In addition to UND, student and faculty participants came from Turtle Mountain Community College, NDSCS, NDSU and DSU.
- UND is one of the top 10 "Best Schools for Entrepreneurs" in the nation, according to The Princeton Review and Entrepreneur magazine. UND ranks eighth out of the top 25. In 2004, UND ranked 14th of 25 as a top entrepreneurial campus by Forbes.com and The Princeton Review.
- In FY 2006, UND reached an all-time high of \$94.3 million in research and sponsored program awards and set a record of \$81.2 million in expenditures. UND's research portfolio included \$315 million in ongoing and committed accounts. Researchers submitted a record 974 proposals for a value of \$255 million.

Valley City State University (VCSU)

- In January, the Centers of Excellence Commission recommended allocation of \$1 million for VCSU's proposed Institute for Customized Business Solutions (ICBS). The ICBS is a public-private partnership that

will co-develop new enterprise application consulting jobs. Funds will be used for staffing, building an IT training infrastructure, providing support for qualified trainees, customizing the curriculum and administrative system to meet industry needs and providing an external project evaluation.

- VCSU received \$1 million in gifts from alumnus and hospitality industry entrepreneur Gary Tharaldson and his wife Connie. The gifts are the largest VCSU has ever received from a living donor and are being used to fund scholarships and improvements to athletic facilities.
- VCSU was recognized in the "America's Best Colleges 2007" edition of *U.S. News & World Report* as one of the top four public comprehensive colleges in the Midwest, the ninth year in a row VCSU has received this recognition.
- After its first year of operation, VCSU's new online master of education program grew from 22 students in 2005 to 78 students in 2006. Both program concentrations, technology education and teaching and technology, showed substantial growth.

Williston State College (WSC)

- The WSC Foundation purchased nine acres of land for the Northwest North Dakota Workforce Training Division. This property will be used to develop a petroleum production training program that will provide hands-on and classroom instruction to people interested in working in the oilfield.
- President McCann recently was selected to serve on a national practitioners panel of rural community college presidents. The panel is providing direction for formation of a National Institute of Rural Community Colleges (NIRCC). NIRCC was created to advance and expand the work of each of its founding partners.
- On June 14, Gov. Hoeven presented WSC a Petroleum Safety and Technology Center of Excellence check for \$400,000. Industry partners were on hand, and those in attendance toured Nabors Well Services new computerized millennium service rig. Sen. Kent Conrad visited WSC on Sept. 18 to announce that the center had received \$200,000 in the 2007 Housing and Urban Development appropriations bill. The center has served more than 2,000 oilfield employees since July 2005.