

North Dakota
University System

Creating a University System for the 21st Century

4th Annual
Accountability
Measures Report

December 2004

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 state investment in the University System
- Scholarship and the pursuit of excellence in the discovery, sharing and application of knowledge
- Acceptance of diverse people and ideas

About This Report

The North Dakota University System is pleased to provide you its *2004 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. Production of the fourth annual report completes the first full cycle of performance and financial accountability reporting. This document affirms the significant impact of the Roundtable on Higher Education in more closely linking the North Dakota University System with its public and private partners.

Development of the *2004 Accountability Measures Report* is a direct result of the creation of a new relationship between the legislative and executive branches of government, the private sector and the University System. It is a relationship 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. Roundtable members were charged with defining expectations and accountability measures for the system.

Passage of SB 2003 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, 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.

The University System is committed to meeting the accountability expectations of SB 2003, and the *2004 Accountability Measures Report* is a tool by which the system’s performance can be measured. This report also provides valuable information for state policy makers, the State Board of Higher Education and campuses to continually improve the quality of education and services provided. While the accountability measures report was developed in response to legislative action, its greatest value may be as a management tool for the University System and its employees.

Like many groundbreaking initiatives, there have been enhancements and adaptations along the way. Those worthy of notation include:

- Twelve accountability measures were added by the State Board of Higher Education in 2001. The board deemed these measures necessary to provide guidance in establishing effective policy for the 11 system campuses.
- Several fiscal accountability measures were modified in 2002 because of changes in Governmental Accounting Standards Board financial reporting standards. As a result, the 2004 report includes the second year of data for these measures.
- Wherever possible, national comparative data is provided. Because a national employer satisfaction survey did not exist, 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 includes responses to two new employer satisfaction measures, thus establishing 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 on the campuses. To complement these measures, this report includes highlights of 2004 campus activities aligned with the cornerstones of the *Roundtable Report* on Pages 63–67. 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 according to the cornerstones of the *Roundtable Report*. A distinction between the two types of measures is not made in the body of the report; however, the origin of each measure is included in the table of contents on Pages vii and viii. 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 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 Office hope the *2004 Accountability Measures Report* not only meets, but exceeds, your expectations.

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

State Board of Higher Education Members

Bruce I. Christianson, President

Pam Kostelecky, Vice President

Sue Andrews

Beverly Clayburgh

Kayla Effertz

Ralph Kingsbury

Dr. Richard Kunkel

John Q. Paulsen

Dr. Ann Burnett, Faculty Advisor

Dr. Robert L. Potts, Chancellor
North Dakota University System

An Executive Summary

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

The Roundtable on Higher Education, a group of state leaders from the public and private sectors, established new expectations for the University System. In addition to providing high-quality education, roundtable members charged the system 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 that have been established in legislation and now are being used to determine how well roundtable expectations are being met. Accordingly, the *2004 Accountability Measures Report* is organized by the roundtable cornerstones.

For measures appearing for the first time in the 2004 report, this document provides benchmark data and a baseline for measuring the University System's progress. For other measures, the 2004 document provides important trend data.

A summary of the findings follows:

Cornerstone 1: Economic Development Connection

- The number of businesses that used North Dakota's workforce training system to provide training for their employees increased 176 percent between FY 2000 and FY 2004. The number declined slightly (1,494 to 1,430) from 2003 to 2004.
- Research has grown by more than 50 percent during the last four years with \$101.7 million in research expenditures in FY 2004. Research expenditures comprised 15.7 percent of total NDUS expenditures in FY 2004, compared to 12.5 percent in FY 2001.
- Businesses reported a 99.8 percent average workforce training satisfaction level for FY 2004. Employees reported a satisfaction

level of 98.8 percent with workforce training during the same period.

Cornerstone 2: Education Excellence

- NDUS students meet or exceed the national average on most nationally recognized exams.
- NDUS graduates exceed the national first-time licensure pass rates for most professions measured.
- 74.2 percent of NDUS alumni said their current jobs were highly related or moderately related to the most recent degrees they earned, and 80.2 percent said the college or university they attended prepared them at least adequately for their current jobs.
- NDUS students are, in general, satisfied with their college experience. Results of the Student Satisfaction Inventory (SSI) show campuses are meeting students' expectations in most areas.
- NDUS institutions offer 38 entrepreneurship courses and two entrepreneurship programs. In the past year, 886 students enrolled in entrepreneurship courses, and six students graduated from entrepreneurship programs. An additional 767 participants attended three non-credit seminars that had an entrepreneurial focus.

Cornerstone 3: Flexible and Responsive System

- 82.9 percent of NDUS alumni reported overall satisfaction with the quality of instruction at the college or university they attended, and 95.7 percent would recommend it to someone else.
- A key measure of responsiveness is employer satisfaction with system graduates. Employers of NDUS graduates are, on average, "very satisfied" with the skills and knowledge they rated as "very important."
- In FY 2004, companies reported a 99.5 percent satisfaction level with responsiveness of the workforce training system in North Dakota to requests for training.

Cornerstone 4: Accessible System

- NDUS part-time and full-time degree credit headcount enrollment continues to increase, and now is at an all-time high of 42,503 students (*Fall 2004 Enrollment Report*). This is in addition to an annual total of 7,267 non-degree-credit students and 11,401 non-credit students served in AY 2004.
- An increasing number of students age 25 and older are enrolling at NDUS colleges and universities. The number of students enrolled in graduate and professional programs has increased 40.9 percent in the past five years.
- During Fall 2004, the NDUS served 8,505 students who enrolled in courses for credit through non-traditional delivery methods. These students comprise 20 percent of the system's total headcount enrollment. Enrollment by students who take courses in a variety of non-traditional delivery methods increased 17.9 percent since Fall 2003.
- More than 90 percent of North Dakota residents have access to higher education within 45 minutes of their homes, and almost all North Dakotans have access to higher education through distance learning opportunities.
- Tuition and required fees at North Dakota's public campuses are less than their regional and national counterparts, except at the two-year campuses.
- Tuition and fees at NDUS campuses, as a proportion of median household income, are about the same or slightly lower than regional and national averages, except at the two-year campuses.
- In addition to the 45 jointly offered academic programs, NDUS institutions collaborate on the online delivery of 24 certificate programs, 33 associate degree programs, 15 bachelor degree programs and four graduate degree programs.

Cornerstone 5: Funding and Rewards

- In FY 2001, general fund appropriations provided 37 percent of the total NDUS revenues. Decreases in state funding and increases in tuition and fees and grant and contract awards have reduced the general fund share to 28 percent in FY 2004.
- In FY 2004, the NDUS generated 72 percent of its total revenues, either internally from fees for services or externally from grants and contributions.
- Based on 2003-05 state funding levels, all NDUS campuses are funded at less than 100 percent of their peer campus benchmarks and most at less than 95 percent of their long-term peer benchmark targets. The NDUS campuses, as a whole, are funded at an average of 56.7 percent of their peer campus benchmarks and 59.7 percent of their 95 percent benchmarks.
- Ten of the 11 campuses are funded at less than their operating benchmarks per FTE student. All campuses exceed their student-share target. NDUS campuses are funded at an average of 16 percent of the OMB capital assets formula and at 5.7 percent of total capital funding needs, including outstanding deferred maintenance.
- In FY 2004, the NDUS spent 60.2 percent of its total combined revenues and state appropriations on instruction, research and public service.
- In FY 2004, the NDUS spent 15.1 percent of its total combined revenues and state appropriations on institutional support and operations and maintenance of the physical plants.
- In FY 2004, the NDUS spent 14.7 percent of its total combined revenues and state appropriations on academic support, student services, and scholarships and fellowships.
- The NDUS has a favorable expendable net assets to long-term debt ratio of 1.1:1 as of the end of FY 2004.
- Of the major capital projects specifically appropriated during the 2003-05 biennium, one exceeds the project budget.

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, one master's degree-granting university, three universities that offer bachelor's degrees 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

Enrollment: 3,546

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 baccalaureate 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

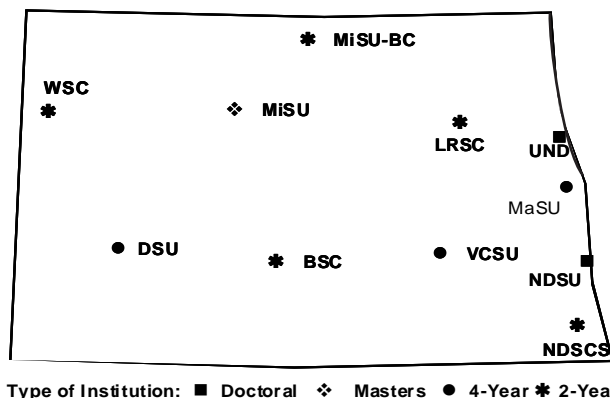
Enrollment: 2,479

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, continuing education, workforce training and educational outreach opportunities.



Degrees: Diploma, certificate and associate degree programs

Enrollment: 1,464

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 provides every student access to current computer technology; all students are issued Tablet PC computers. MaSU is a small and personal university that offers both two and four-year undergraduate degrees. The university is most noted for its programs in teacher education, business and computer information systems.

Degrees: Certificate, associate and bachelor's degree programs

Enrollment: 897

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 comprehensive, mid-size university that offers undergraduate majors and graduate programs that lead to either master's or education specialist degrees. MiSU provides a personal touch in a friendly atmosphere.

Degrees: Certificate, associate, bachelor's, master's and education specialist degree programs

Enrollment: 3,851

Telephone: 1.800.777.0750 or 701.858.3000

Web site: www.minotstateu.edu

Minot State University-Bottineau Campus (MiSU-BC)

Located in Bottineau, N.D., MiSU-BC 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

Enrollment: 602

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 curriculums in applied sciences, technologies, health, business and transfer fields. It also provides customized training for North Dakota businesses and industries. Small classes, individual attention and high job placement are keys to success at NDSCS.

Degrees: Diploma, certificate and associate degree programs

Enrollment: 2,481

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 the state's land-grant university. While both the campus and its role have expanded, the mission of teaching, research and public service is essentially the same today as it was more than 100 years ago. Part of the university's land-grant heritage includes maintaining a statewide presence through the NDSU Extension Service and Experiment Stations.

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

Enrollment: 12,026

Telephone: 1.800.488.6378 or 701.231.8643

Web site: www.ndsu.edu

University of North Dakota (UND)

Founded in 1883, the University of North Dakota at Grand Forks 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 and research, a campus environment rich in cultural resources and an outstanding record of alumni support.

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

Enrollment: 13,187

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, associate and bachelor's degree programs

Enrollment: 1,033

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

Enrollment: 937

Telephone: 1.888.863.9455 or 701.774.4200

Web site: www.wsc.nodak.edu

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In Other Words ...

Terms used in this report include:

Adjusted Cohort: The adjusted cohort does not include students who have earned previous credit through dual-credit courses or during the summer semester prior to entering college in the federal report on graduation rates, even though IPEDS allows inclusion of these students. Therefore, the campus IPEDS reported graduation rates exclude all students who have prior college credit. The FINDET office is able to track and include these students in the IPEDS adjusted cohort.

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

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

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

FTE Employee: Full-Time Equivalent Employee – An FTE employee is calculated based on employment status (faculty vs. staff), length of contract and the number of hours worked. Full-time employee equivalency is calculated as follows:

9-month faculty = 1.0 FTE	9-month staff = .75 FTE
10-month faculty = 1.1 FTE	10-month staff = .83 FTE
12-month faculty = 1.3 FTE	12-month staff = 1.0 FTE

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 4.a. and 4.b.)

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 – 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.

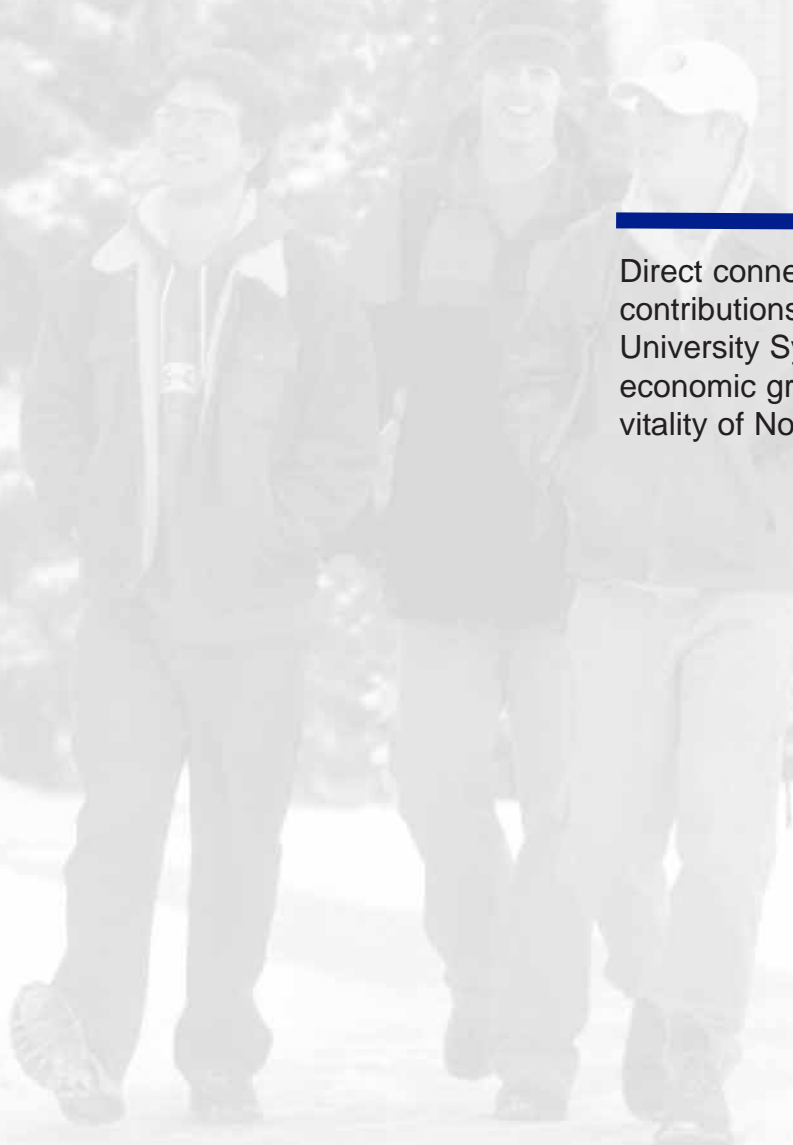
NDUS: North Dakota University System – The unified, statewide higher education system includes 11 campuses governed by the State Board of Higher Education. A chancellor serves as the chief executive officer of the board and the University System.

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, 88 libraries and branches are members of ODIN, which also is part of a regional network linking with Minnesota and South Dakota.

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

Economic Development Connection

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



Workforce Training

Accountability Measure 2.c.

Number of businesses and employees in the region receiving training

About This Measure

Workforce training system performance results are available for FY 2000 through FY 2004. These results demonstrate responsiveness by the workforce training system to a strong demand for workforce training in the state.

For example, the number of businesses that received training through this system increased from 518 in FY 2000 to 1,430 in FY 2004, a 176 percent increase. The number of employees who received training increased from 7,463 in FY 2000 to 7,958 in FY 2004, a 7 percent increase.

The total number of businesses reported as having been served declined slightly, and the number of employees reported as having been trained also declined between FY 2003 and FY 2004. These declines are the result of three factors. Workforce training was extended to more rural areas of the state; consequently, training was provided to smaller companies that have fewer employees. The overall demand for training declined in the latter part of 2003 and in early 2004, primarily in the northern and western parts of the state. Refinements in the data collection and reporting system allow repeat

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 176 percent between FY 2000 and FY 2004. The number declined slightly (1,494 to 1,430) from 2003 to 2004.

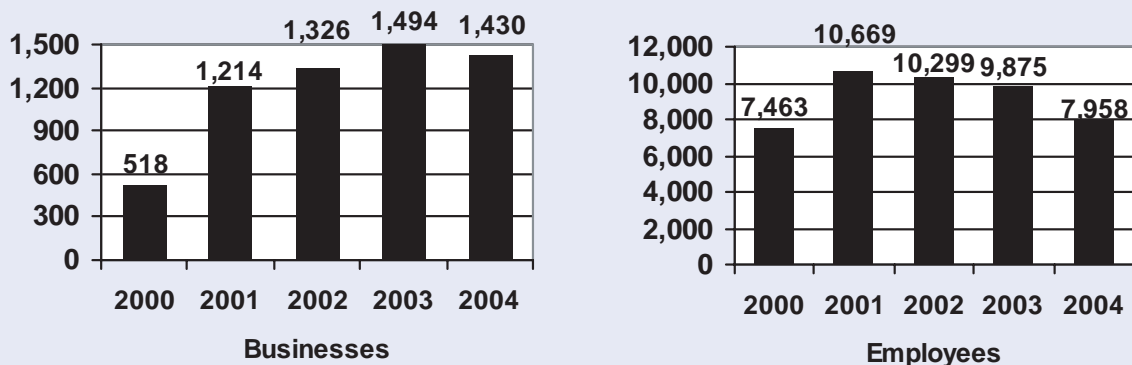
customers to be identified and reported separately.

Workforce training client satisfaction levels are presented in Measure 7.a. on Page 4.

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
2000 through 2004**



Workforce Training Satisfaction

Accountability Measure 7.a.

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 report a high level of satisfaction with training received through the workforce training system. Through an evaluation of each training event, businesses that contracted for training reported a satisfaction level of 95.5 percent in FY 2000 and FY 2001, 98.5 percent in FY 2002, 99.9 percent in FY 2003 and 99.8 percent in FY 2004.

Satisfaction of employees also was relatively high at 94 percent in FY 2000, 95.7 percent in FY 2001, 97.5 percent in FY 2002, 98.5 percent in FY 2003 and 98.8 percent in FY 2004. These numbers include employees who received training through workforce training contracts with businesses and other individuals who received training through open enrollment, a term used to describe training events not directly financed by business.

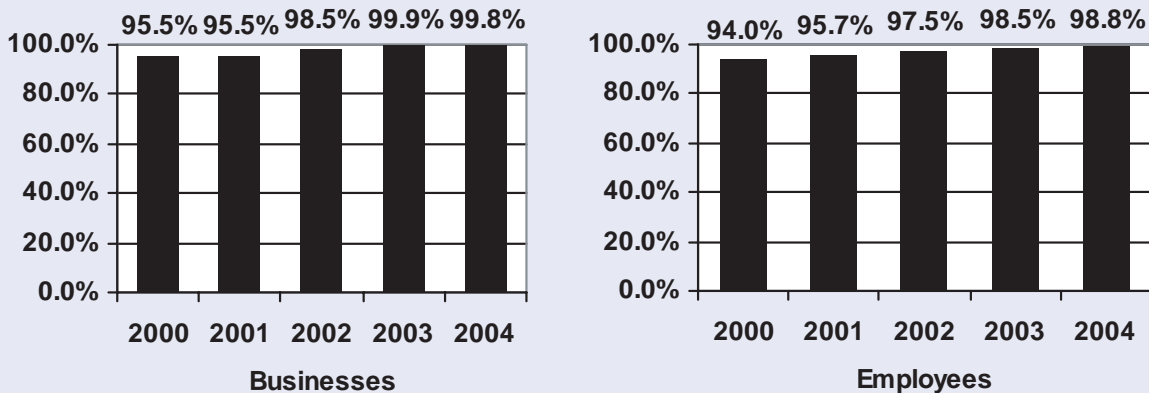
What is the level of satisfaction with training?

Businesses reported a 99.8 percent average workforce training satisfaction level for FY 2004. Employees reported a satisfaction level of 98.8 percent with workforce training during the same period.

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 state legislature.

**Workforce Training Satisfaction Levels
2000 through 2004**



Research Expenditures as a Percent of Total NDUS Expenditures

Accountability Measure 5.f.

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

About This Measure

During the last four years, research has grown by more than 50 percent from \$67.2 million in FY 2001 to \$101.7 million in FY 2004.

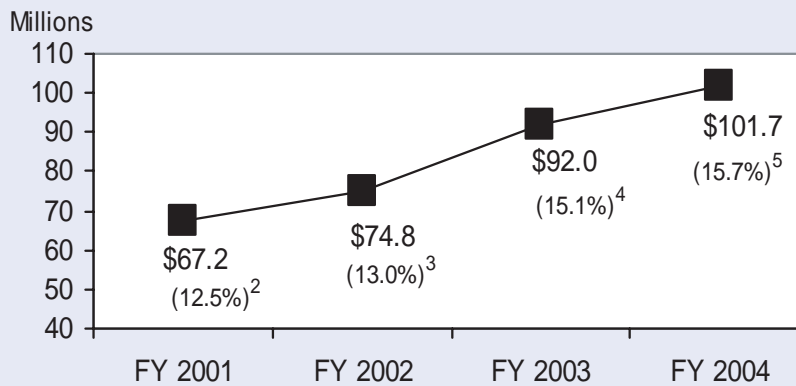
In FY 2004, research expenditures were 15.7 percent of the total NDUS expenditures, compared to 12.5 percent in FY 2001.

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

Research has grown by more than 50 percent during the last four years with \$101.7 million in research expenditures in FY 2004. Research expenditures comprised 15.7 percent of total NDUS expenditures in FY 2004, compared to 12.5 percent in FY 2001.

Data is not available to estimate the additional indirect revenue realized by the state of North Dakota as a result of direct research investments.

Research Expenditures¹ as a Percent of Total NDUS Expenditures



Based upon the North Dakota Input-Output model developed by economists at NDSU, the FY 2004 research expenditures of \$101.7 million have a direct economic impact to the state of \$285 million based on a 2.8 multiplier.

¹ Research expenditures include pass-through dollars from state and federal appropriations and other miscellaneous sources for the NDSU Extension and Experiment Stations, totaling about \$24.9 million in FY 2001, \$24.4 million in FY 2002, \$24.9 million in FY 2003 and \$24.7 million in FY 2004.

² Research expenditures (\$67.2 million) ÷ total expenditures (\$536.8 million).


³ Research expenditures (\$74.8 million) ÷ total expenditures (\$577.4 million).

⁴ Research expenditures (\$92.0 million) ÷ total expenditures (\$609.6 million).

⁵ Research expenditures (\$101.7 million) ÷ total expenditures (\$649.8 million).

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

Education Excellence

A grayscale photograph of three young people walking on a snow-covered path. They are dressed in winter clothing, including jackets and hats. The background shows a brick building and trees. The image is semi-transparent, allowing text to be overlaid.

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

Ratio of Faculty and Staff to Students

Accountability Measure 1.f.

Ratio of faculty and staff to students

About This Measure

This ratio measures the average number of full-time equivalent (FTE) students per FTE faculty member and the average number of FTE students per FTE staff member who provides support services funded from appropriated and local fund sources (excluding grants and contracts).

The average ratios for each type of NDUS institution are provided in the table below.

What is the average number of FTE students served per NDUS FTE faculty member and staff member?

The average NDUS student-to-faculty ratio is 16.0:1, ranging from 13.8:1 at MiSU to an average of 16.6:1 at the two-year campuses. The average student-to-staff ratio is 13.1:1 for the NDUS, ranging from an average of 11.2:1 at the doctoral universities to an average of 20.4:1 at the two-year campuses.

The value of this measure will be in evaluating long-term trends that will reflect shifts in priorities and needs over time.

FY 2004 Average Ratio of Faculty and Staff to Students (All FTE)¹

	Student to Faculty Ratio	Student to Staff Ratio
Doctoral (UND ² /NDSU average)	16.3:1	11.2:1
Comprehensive (MiSU)	13.8:1	19.6:1
Baccalaureate (DSU, MaSU and VCSU average)	15.3:1	14.1:1
Two-year (BSC, LRSC, MiSU-BC, NDSCS and WSC average)	16.6:1	20.4:1
NDUS Average	16.0:1	13.1:1

¹ Includes all appropriated and locally funded positions, but excludes positions funded from grants and contracts.

² Excludes all employees of the Energy and Environmental Research Center (EERC) at UND.

Data Sources: HECN position budget reports and 2003-04 annualized enrollment schedule.

Performance on Nationally Recognized Exams

Accountability Measure 1.a.

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

About This Measure

This measure reports student performance on national exams not required for entering that professional field.

NDUS institutions reported student participation in 27 national exams. Many exams, such as the National Council of Examiners for Engineering and Surveying (NCEES), include several subset exams (e.g., chemical and civil engineering).

How well do NDUS students perform on nationally recognized exams?

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

The Pre-Professional Skills Test (PPST), which is a three-part teaching skills test, was offered at all six NDUS universities. To be admitted to a teacher education program in North Dakota, a student must score within the nationally established target range on each of the three parts. These ranges are 171 to 183 for math, 172 to 179 for writing and 172 to 182 for reading.

NDUS engineering students exceeded the

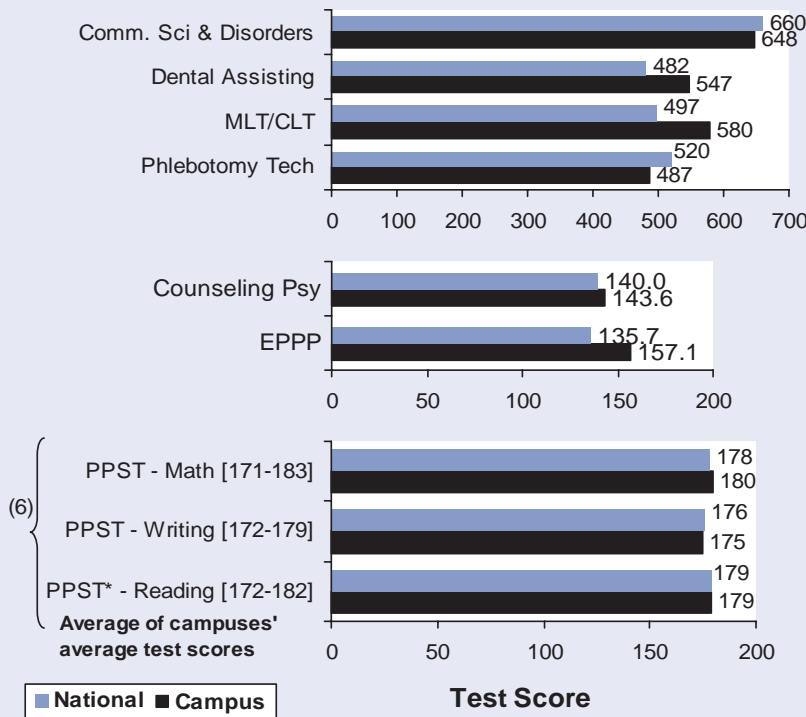
national average in all NCEES exams.

Students from three NDUS universities took the certified public accountant (CPA) exam. The system average of 32.7 percent was below the regional average of 35.0 percent.

In general, NDUS student averages meet or exceed national averages on nationally recognized exams. Note: For privacy and confidentiality purposes, the system does not report exam results involving fewer than five students.

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

**National Examination Reporting by Test Score
AY 2003-04**



* Unweighted campus average.

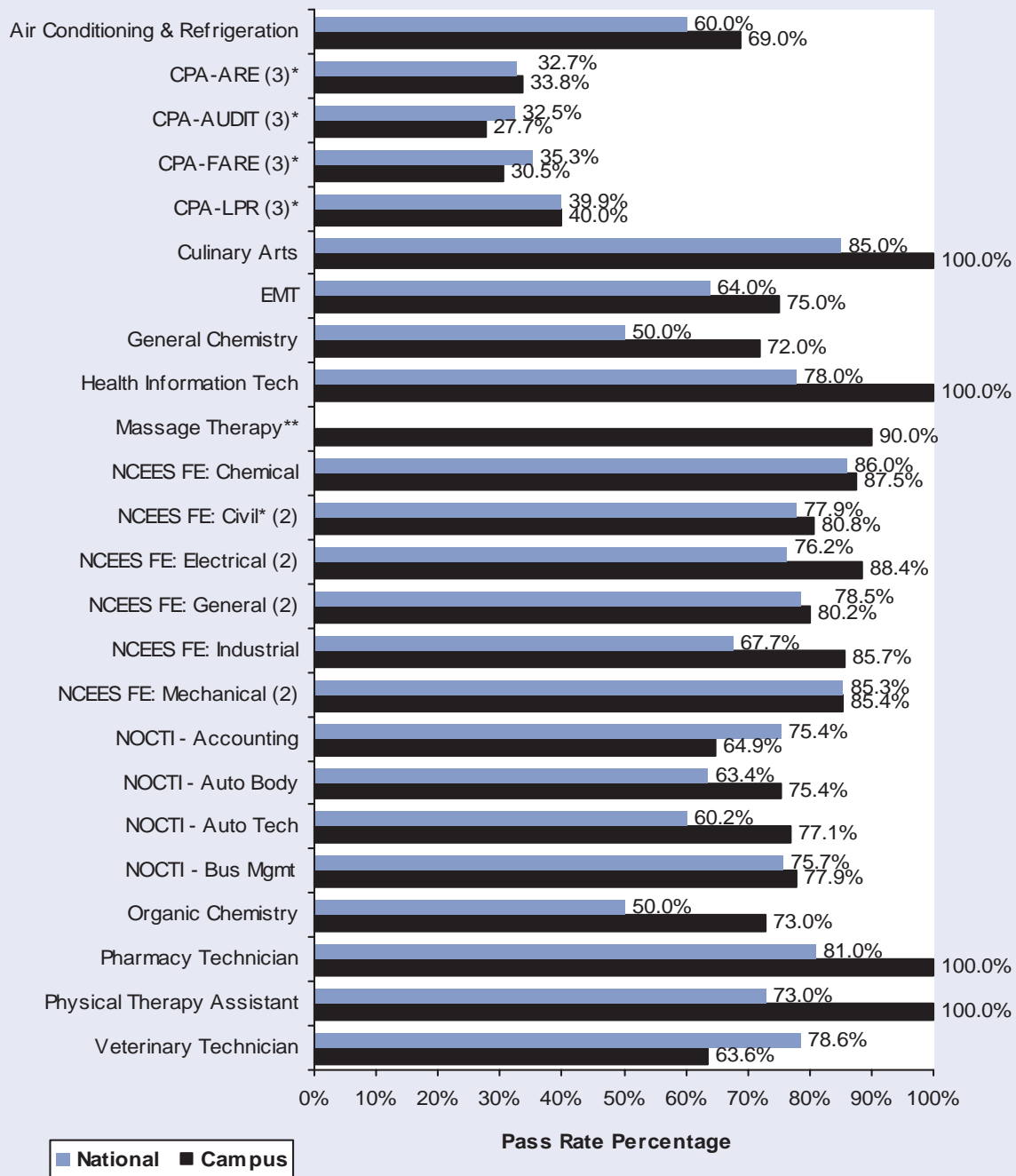
() Number of campuses reporting if more than one.

EPPP: Examination of Professional Practice of Psychology

MLT/CLT: Medical Lab Technician/Clinical Lab Technician.

PPST: Pre-Professional Skills Test

National Examination Reporting by Pass Rate AY 2003-04



* Based on regional comparison due to cost of national results.

** National data was not available.

() Number of campuses reporting.

CPA: Certified Public Accountant – ARE = Accounting and Reporting, AUDIT = Audit, FARE = Financial Reporting, LPR = Law.

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

Accountability Measure 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 shown at right 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 20 licensing examinations. Pass rates on some examinations may have been affected by special efforts to provide access to underserved populations.

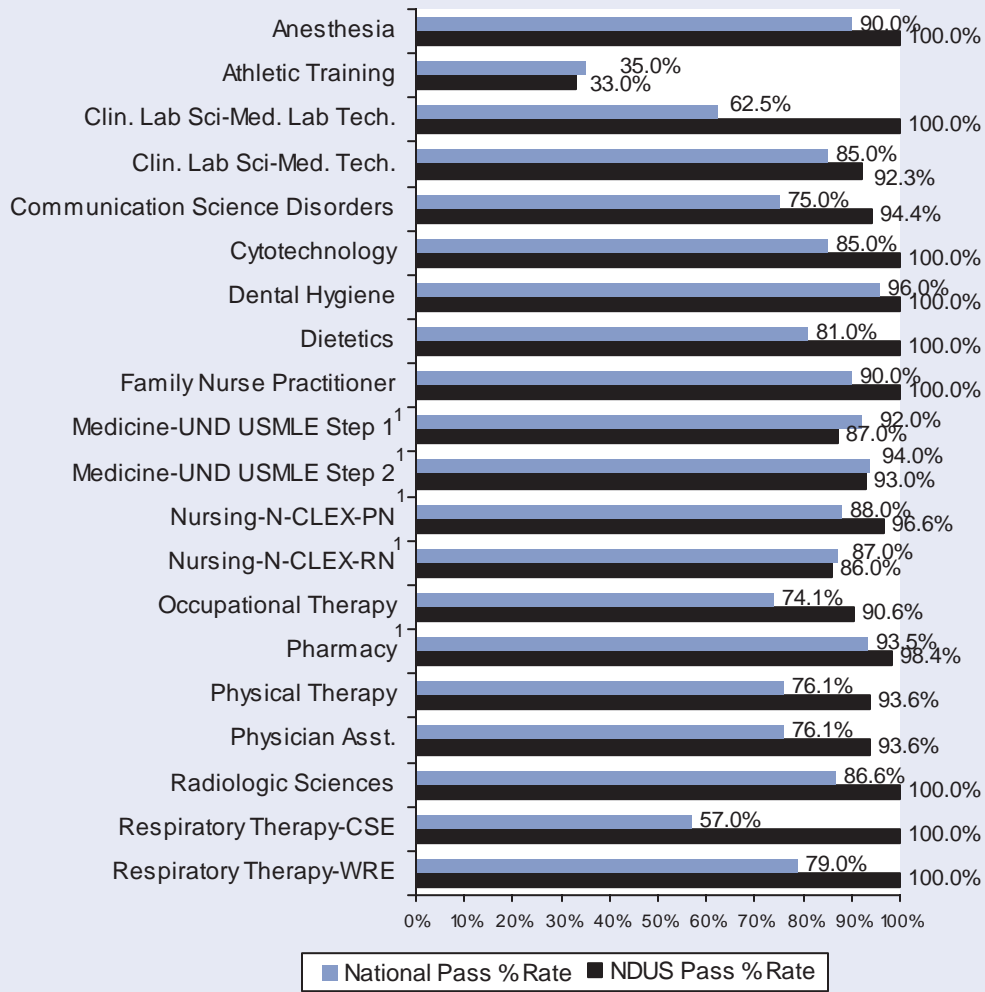
How do NDUS graduates perform on national licensure or certification exams?

NDUS graduates exceed the national first-time licensure pass rates for most professions measured. (See the explanation of exceptions in the bar chart footnotes at right.)

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 1.a. on Page 10.

As of July 1, 2003, all North Dakota teacher education program graduates are required to complete the Pre-Professional Skills Test (PPST) and meet or exceed state minimum cut scores prior to receiving their initial licenses. North Dakota is one of 43 states that require this test as part of the educator's licensure process; therefore, in the future, the PPST will move from 1.a. to 1.b. in 2005.

AY 2003-04 Comparison of NDUS Graduate Scores to National Averages on Health-Related Professional Licensure and Certification Exams



Sources of data: BSC, DSU, MiSU, NDSCS, NDSU, UND and WSC.

Note: Rates are for 1st time examinees.

¹ In order to provide access to underserved populations, special effort was made by setting aside slots in nursing, medicine and pharmacy. Therefore, scores may be affected.

CSE: Clinical Simulation Examination.

N-CLEX: National Council Licensure Examination.

PN: Practical nurse.

RN: Registered nurse.

USMLE: United States Medical Licensing Examination.

WRE: Written Respiratory Examination.

Student Graduation and Retention Rates

Accountability Measure 1.g.

Student graduation and retention rates

About This Measure

Each year, every NDUS campus is required to report graduation rates to the National Center for Educational Statistics through the Integrated Postsecondary Education Data System (IPEDS). The instrument used to report this data is the Graduation Rate Survey (GRS). Data for the 2003 survey was generated by establishing a cohort. A GRS cohort is the group of all first-time, full-time students. Two-year campus cohorts entered college in Fall 2000 and were tracked for three years. Four-year campus cohorts entered universities in Fall 1997 and were tracked for six years.

Once a cohort is established, only a few exceptions, such as military service, an official church mission, Peace Corps service or death, remove 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.

Are NDUS students completing their degrees?

Based on IPEDS reported graduation rates, 40.8 percent of students who attended NDUS two-year colleges completed degrees within three years, and 46.4 percent of four-year students completed degrees within six years, compared to the national rates of 30.6 percent and 54.3 percent respectively.

In 2003, NDUS two-year colleges reported to IPEDS a 40.8 percent completion rate, and four-year universities reported a 46.4 percent rate. Using the IPEDS cohort and including those in the cohort who graduated from other campuses, the cohort graduation rate increases to 45.5 percent for two-year colleges and 49.2 percent for four-year universities. This compares to a national two-year college rate of 30.6 percent and a four-year university rate of 54.3 percent.

When the effects of successful transfers and students who are still enrolled are taken into account, two-year colleges have an adjusted graduation/transfer/retention rate of 71.5 percent, and four-year students have a 79.9 percent adjusted graduation/transfer/retention rate.

NDUS institutions also track the rate at which full-time freshmen return to college the following year. NDUS two-year colleges report a 56 percent average rate of freshmen who entered college Fall 2003 and re-enrolled Fall 2004, and universities reported a 67.8 percent rate. This compares to a 54.8 percent two-year college national first-year to second-year retention rate and a 73.6 four-year institution retention rate.

It should be noted, as reported in Measure 7.c. on Page 20, not all students intend to earn degrees or earn degrees within the time frames established by IPEDS.

2003 IPEDS Cohort¹

	2-year	4-year
NDUS IPEDS-reported campus graduation rate	40.8%	46.4%
National 2003 IPEDS-reported graduation rate ²	30.6%	54.3%
Graduates of other postsecondary institutions	22	301
NDUS adjusted graduation rate	45.5%	49.2%

NDUS Transfer and Students in Process Rate

NDUS institutions	2-year	4-year
Transfer rate	19.6%	32.2%
Students still enrolled in school	7.4%	6.6%
Adjusted graduation rate plus transfer and students still enrolled rate	71.5%	79.9%

¹ For a definition of "adjusted cohort," see *In Other Words* on Page viii.

² The most recent year for which national data are available.

Alumni-Reported and Student-Reported Satisfaction

Accountability Measure 1.c.

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

About This Measure - *Alumni*

A total of 907 NDUS alumni who graduated between July 2000 and June 2001 responded to a Spring 2004 ACT Evaluation Service Survey. 74.2 percent of the respondents said their current jobs were “highly related” or “moderately related” to the most recent degree earned, and 80.2 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 (53.8 percent) said their college majors and their first jobs were “highly related.”

Do NDUS graduates believe they are prepared for the workforce?

74.2 percent of NDUS alumni said their current jobs were highly related or moderately related to the most recent degrees they earned, and 80.2 percent said the college or university they attended prepared them at least adequately for their current jobs.

82.5 percent said they were “very satisfied” (29.4 percent) or “satisfied” (53.1 percent) 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” (46.1 percent) or “good” (43 percent). For most measures, NDUS alumni responses either closely paralleled or exceeded national comparisons.

Alumni-Reported Satisfaction AY 2000-01 Graduates

How well did experiences at this school prepare you for your current job?

	NDUS %	Nat'l %
Exceptionally well	18.3	16.6
More than adequate	26.7	25.8
Adequately	35.2	32.1
Less than adequate	4.4	4.0
Very poorly	0.7	1.0
Not at all	2.6	4.3
I am not employed	0.6	0.4
No response	11.6	15.9

How would you rate the overall quality of instruction?

	NDUS %	Nat'l %
Very satisfied	29.4	37.0
Satisfied	53.1	45.4
Neutral	10.4	8.9
Dissatisfied	2.8	3.2
Very dissatisfied	0.7	0.9
No opinion	0.6	0.7
Blank	3.1	3.9

What is the closeness of your current job to your most recent degree/certificate/diploma?

	NDUS %	Nat'l %
Highly related	59.9	47.6
Moderately related	14.3	16.1
Slightly related	7.6	10.0
Not at all related	6.8	10.4
No response	11.4	15.8

What is the relationship between your first job and your major at this school?

	NDUS %	Nat'l %
Highly related	53.8	44.8
Moderately related	14.7	17.4
Slightly related	10.4	11.3
Not at all related	8.8	13.2
No response	12.3	13.3

Overall, how would you rate this school?

	NDUS %	Nat'l %
Excellent	46.1	44.8
Good	43.0	41.1
Average	7.9	9.7
Poor	0.7	1.4
Blank	2.3	3.0

Alumni-Reported and Student-Reported Satisfaction (cont.)

Accountability Measure 1.c.

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

About This Measure - *Students*

On the second Student Satisfaction Inventory administered in March 2004, 7,226 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 "performance gap score." A large performance gap score, for example a score of 1.5, 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,

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 campuses are meeting students' expectations in most areas.

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 established from NDUS student responses are lower in all categories than the nationally reported performance gaps.

Students who attend four-year universities rated instructional effectiveness as the most important followed by academic advising, 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, student centeredness and admissions/financial aid followed in importance at the two-year schools.

Student-Reported Satisfaction March 2004

Four-Year Institutions

Category	NDUS Importance	NDUS Satisfaction	NDUS Performance ** Gap	National Importance	National Satisfaction	National Performance ** Gap
Instructional Effectiveness	6.36	5.29	1.07	6.28	5.09	1.19
Academic Advising	6.34	5.34	1.00	6.29	5.08	1.36
Safety and Security	6.31	4.45	1.86	6.26	4.37	1.18
Registration Effectiveness	6.16	5.07	1.09	6.14	4.83	1.31
Student Centeredness	6.13	5.20	.93	6.00	4.93	1.07
Concern for the Individual	6.13	5.04	1.09	6.04	4.79	1.25
Recruitment and Financial Aid	6.12	4.97	1.15	6.01	4.66	1.35
Campus Climate	6.12	5.15	.97	6.02	4.90	1.12
Service Excellence	6.00	5.09	.91	5.95	4.74	1.21
Campus Support Services	5.97	5.31	.66	5.99	5.09	.90
Campus Life	5.70	5.00	.70	5.56	4.71	.85
*Responsiveness to Diverse Populations		5.16			4.94	

Two-Year Institutions

Category	NDUS Importance	NDUS Satisfaction	NDUS Performance ** Gap	National Importance	National Satisfaction	National Performance ** Gap
Instructional Effectiveness	6.04	5.38	.66	6.14	5.30	.84
Academic Advising	6.01	5.40	.61	6.08	5.09	.99
Registration Effectiveness	5.99	5.40	.59	6.11	5.30	.81
Concern for Individuals	5.94	5.32	.62	6.04	5.12	.92
Student Centeredness	5.89	5.40	.49	5.90	5.24	.66
Admission and Financial Aid	5.88	5.12	.76	5.95	4.97	.98
Campus Climate	5.85	5.30	.55	5.90	5.17	.73
Academic Services	5.84	5.41	.43	5.98	5.28	.70
Service Excellence	5.81	5.29	.52	5.89	5.12	.77
Safety and Security	5.71	4.73	.98	5.95	4.82	1.13
Campus Support Services	5.27	4.84	.43	5.37	4.84	.53
*Responsiveness to Diverse Populations		5.33				

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.

Employer-Reported Satisfaction with Recent Graduates

Accountability Measure 1.d.

Employer-reported satisfaction with preparation of recently hired graduates

About This Measure

Because no national employer satisfaction surveys were available, the NDUS initiated development of a survey in partnership with a vendor and colleges in other states. The first NDUS employer satisfaction survey was administered to 1,116 employers of North Dakota University System graduates in Fall 2004. Responses from employers of 423 2002-03 graduates of eight NDUS institutions are summarized below.

About 81 percent of the surveys were completed by supervisors; 69 percent of the respondents had daily contact with the graduates, and 70 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 that skill. Several questions were asked in four categories – *knowledge and*

Are employers satisfied with the preparation of NDUS graduates?

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

understanding; qualities generally expected; general skills and specific skills. All questions were rated on a 1 to 5 scale 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 a “very important” rating of 4.5 or higher. Employers said the NDUS graduates met their expectations in this area by again giving each of those items a “very satisfied” rating. The most important general skills to employers were teamwork, listening to others, customer service and verbal and written communication. Employers were “very satisfied” with the general skills in teamwork, listening to others, customer service, and verbal communication; they were “somewhat satisfied” with the written skills of the NDUS graduate. In specific skills, employers rated the ability to set goals and allocate time to achieve them and the ability to translate theory into practice, 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.

Survey question	NDUS Mean	National Mean
Overall, how SATISFIED are you that this employee demonstrates the qualities you would expect from a college graduate?	4.23	4.18
Overall, how SATISFIED are you with this employee’s general skills as they relate to the requirements of the job?	4.16	4.12
Overall, how SATISFIED are you with this employee’s specialized skills as they relate to the requirements of the job.	3.93	3.86
Based on your experience with this employee, how LIKELY are you to hire other graduates of this school?	4.15	4.13
5 = Extremely 4 = Very 3 = Somewhat 2 = Not very 1 = Not at all		

Levels of Satisfaction and Reasons for Non-Completion

Accountability Measure 7.f.

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

During Fall 2003, Spring 2004 and Fall 2004, non-completing students who left NDUS institutions were asked to complete the ACT Evaluation/ Survey Service (ESS) survey. ESS respondents, who were mostly freshmen, said they entered college to pursue bachelor's degrees. Of the 385 respondents, 87 percent were full-time students and 70 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

Why do students leave NDUS institutions?

Most non-completing students who leave NDUS institutions do so because they want to attend different colleges or universities (40.5 percent). Other students leave either because they move to (or were transferred to) new locations or because they believe the majors they want are not offered at the institutions they attend. Only 8.6 percent of the students who leave said they were disappointed with the quality of instruction.

the ESS survey. "Decided to attend a different college" was the number one reason students left NDUS institutions (40.5 percent). Other students said they wanted to move or were transferred to new locations (24.2 percent) or said the majors they wanted were not offered at the institutions they attended (16.4 percent).

NDUS Non-Returning Survey Responses * AY 2003-04

Major reasons for leaving an NDUS institution by rank order	Percentage	Nat'l Public Postsecondary Institutions Percentage	All Nat'l Postsecondary Institutions Percentage
Decided to attend a different college	40.5	18.7	22.0
Wanted to move to (or was transferred to) a new location	24.2	12.6	13.7
Desired major was not offered by this college	16.4	8.9	9.7
Health-related problem (family or personal)	15.8	16.4	16.2
Dissatisfied with my grades	15.8	10.1	9.5
Wanted to live nearer to my parents or loved ones	9.1	3.9	4.8
Experienced emotional problems	8.8	8.4	9.2
Disappointed with the quality of instruction at this college	8.6	6.1	6.9
Inadequate study habits	6.5	5.2	5.0

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

Levels and Trends in the Number of Students Achieving Goals

Accountability Measure 7.c.

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

About This Measure

The Student Satisfaction Inventory (SSI) was offered to all NDUS students in the fall of 2004. A total of 7,226 students were asked to identify their educational goals. Survey results show that most students who attend two-year institutions do so either to earn associate degrees (50.8 percent) or to transfer to other institutions (26.7 percent). Most students who attend four-year institutions plan to earn bachelor’s degrees (58.3 percent). 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.”

Are NDUS students meeting goals?

Although direct comparisons cannot be drawn between the Student Satisfaction Inventory (SSI) and graduation information, 50.8 percent of NDUS two-year college students indicated the intent to earn two-year degrees, while, in a separate survey, 40.8 percent completed two-year degrees within three years. At NDUS four-year universities, 58.4 percent indicated the intent to earn four-year degrees, while, again in a separate survey, 46.4 percent completed four-year degrees within six years.

The NDUS Graduation Rate Survey (GRS), which reports graduation rates by tracking a cohort (the group of all first-time, full-time freshmen), was completed in 2003. The 2003 GRS followed students who entered two-year colleges in 2000 for three years and students who entered four-year colleges in 1997 for six years.

According to the Integrated Postsecondary Education Data System (IPEDS), within this cohort, 40.8 percent earned associate degrees within three years and 46.4 percent earned bachelor’s degrees within six years. This compares to a 30.6 percent national completion rate at two-year colleges and a 54.3 percent completion rate at four-year universities. In addition, National Clearinghouse data indicates 19.6 percent of NDUS two-year college students and 32.2 percent of NDUS four-year university students transferred to other institutions. 7.4 percent of the two-year group remained in college after three years, and 6.6 percent of the four-year group remained at the universities after six years. (See Measure 1.g., Page 14.)

As shown in Measure 7.f. on Page 19, 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 at the campus they were attending.

Fall 2004 Educational Goals

Two-Year School Students	
Educational goals	NDUS
Associate degree	50.8%
Vo-Tech	9.9%
Transfer	26.7%
Certification	4.2%
Self-improvement/pleasure	0.7%
Job-related training	2.0%
Other educational goals	5.6%

Four-Year School Students	
Educational goals	NDUS
Associate degree	2.2%
Bachelor’s degree	58.3%
Master’s degree	20.9%
Doctorate or professional degree	16.1%
Certification	0.4%
Self-improvement/pleasure	0.5%
Job-related training	0.3%
Other	1.3%

Employment Related to Education

Accountability Measure 2.b.

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

About This Measure

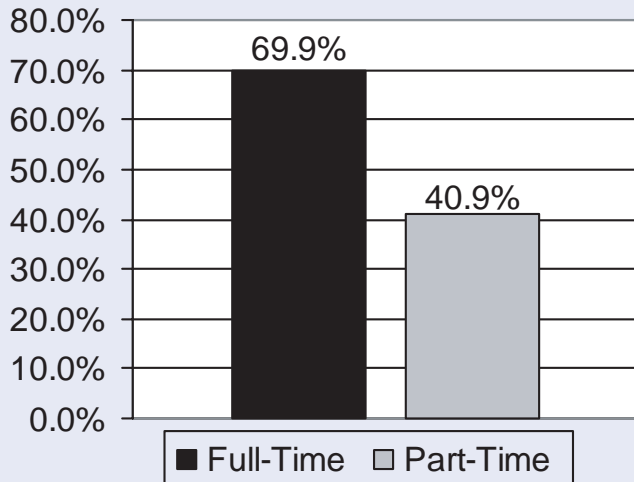
In cooperation with Job Service North Dakota, the FINDET office (Follow-up on North Dakota Education and Training) surveyed employers of 1999 NDUS graduates/completers one year after graduation. The graduates/completers' occupations were compared to their programs of study using Department of Labor Occupational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

What percent of NDUS graduates who stay in the state find employment appropriate to their education?

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

Of those graduates/completers employed full-time in North Dakota, 69.9 percent were employed in occupations related to their education/training. Those employed full-time represented 84.4 percent of the total responses. Of those employed part-time, 40.9 percent were employed in occupations related to their education or training.

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



National comparative data does not exist for this measure.

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.

Entrepreneurship Program Enrollment and Graduates

Accountability Measure 2.a.

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

About This Measure

NDUS institutions are responding to roundtable and legislative expectations to offer entrepreneurial programs and courses. In the last three academic years, two NDUS institutions have developed degree programs in entrepreneurship. Because these programs are relatively new, to date there have been only six graduates. In addition to programs, NDUS institutions now offer 38 courses in entrepreneurship with at least one course at each campus.

In addition to DSU's annual Business Challenge, the university hosted the Southwest North Dakota Entrepreneurship Workshop in February 2004 and the Asset Based Community Workshop in April 2004. The 417 participants included 110 high school students.

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

NDUS institutions offer 38 entrepreneurship courses and two entrepreneurship programs. In the past year, 886 students enrolled in entrepreneurship courses, and six students graduated from entrepreneurship programs. An additional 767 participants attended three non-credit seminars that had an entrepreneurial focus.

MiSU provided a non-credit entrepreneurship forum for 350 participants and educational activities for 241 participants through Small Business Development Center activities. SBDC activities are targeted toward entrepreneurship and assisting small businesses.

Courses:	38
Enrollments¹:	886
Programs:	2
Graduates:	6
Seminars:	3
Participants¹:	767
Other non-credit activity participants	241

¹ Headcount

Equipment Expenditure Ratio

Accountability Measure 6.d.

Equipment expenditure ratio that measures total funds used for equipment replacement as compared to the total inventory value

About This Measure

This measure illustrates investment in equipment on an annual basis. Legislation passed in 2001 requires capitalization of all equipment that costs more than \$5,000. Equipment that costs less than \$5,000 is recognized as a general operating expense. This measure includes only equipment additions that cost more than \$5,000.

What is the ratio of equipment replacement to total inventory value?

For FY 2004, the NDUS ratio of equipment replacement to total equipment inventory was 13.7 percent.

In FY 2004, the NDUS ratio of equipment replacement to total equipment inventory value was 13.7 percent, compared to 10.5 percent during FY 2002.

This increase in percentage is due to increases in equipment additions from \$14.5 million in FY 2002 to \$21.8 million in FY 2004.

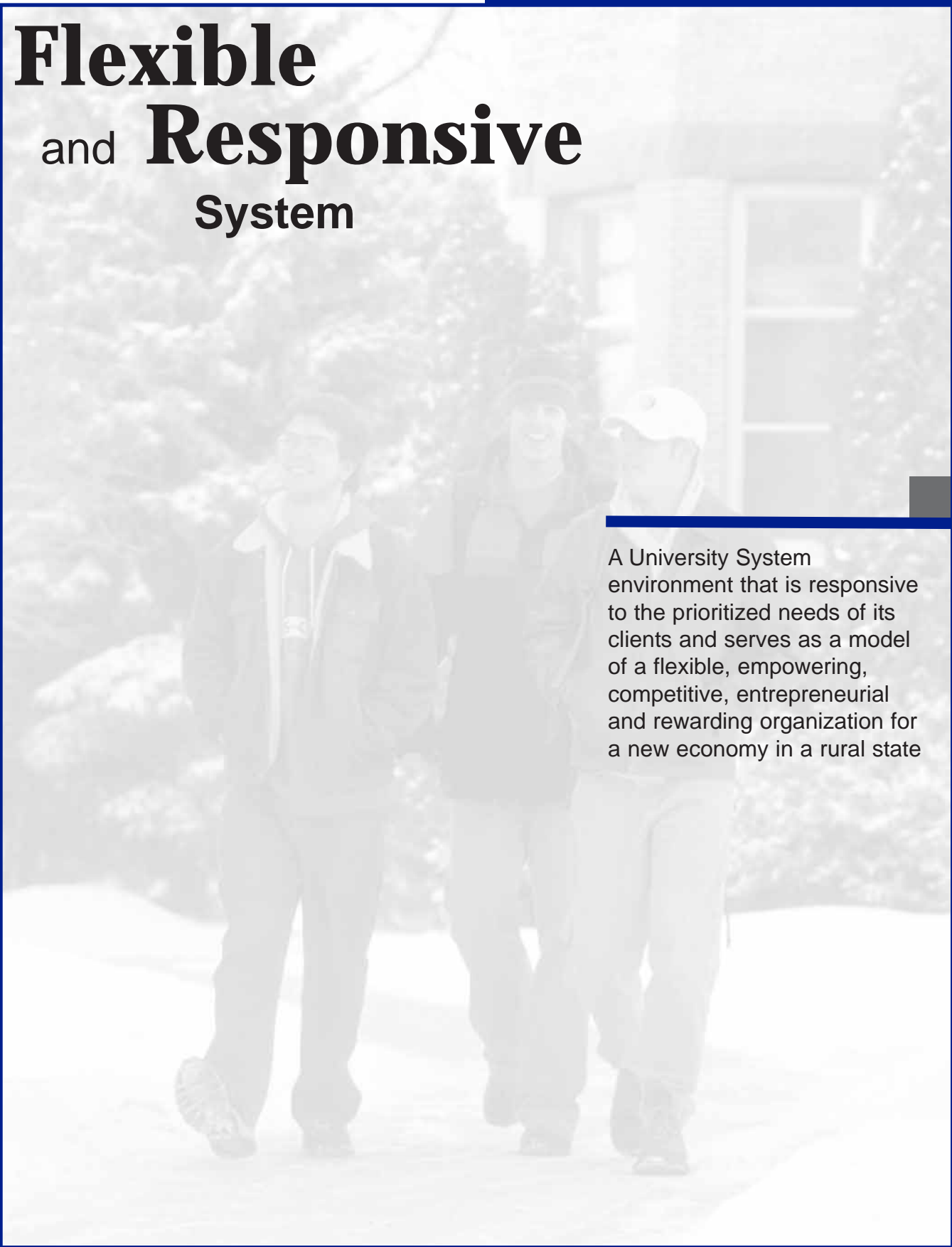
FY 2004, FY 2003 and FY 2002 Equipment Expenditure Ratio¹

	FY 2004	FY 2003	FY 2002
Equipment additions	\$21,789,161	\$20,175,883	\$14,533,940
Equipment value	\$159,550,767 = 13.7%	\$148,176,188 = 13.6%	\$138,291,874 = 10.5%

¹ Includes NDSU and UND-related entities, such as extension service, research centers and the medical school.

Data Source: FY 2004 NDUS audited financial statements.

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: Graduates

Accountability Measure 7.e.

Client satisfaction – levels of satisfaction with responsiveness as reflected through responses to evaluations and surveys of clients:

(a) graduates and individuals completing programs (b) employers (c) companies and employees receiving training

Are NDUS graduates satisfied with their education?

82.9 percent of NDUS alumni reported overall satisfaction with the quality of instruction at the college or university they attended, and 95.7 percent would recommend it to someone else.

About Section A of This Measure: Graduates

A total of 907 NDUS alumni who graduated between July 2000 and June 2001 responded to a Spring 2004 ACT Evaluation Service Survey. 82.9 percent of the respondents said they were “very satisfied” (29.4 percent) or “satisfied” (51.3 percent) with the overall quality of instruction at the college or university they attended. 80.2 percent said the school prepared them “exceptionally well” (18.3 percent), “more than adequate” (26.7 percent) or “adequately” (35.2 percent) for their current jobs.

Overall, alumni rated the school they attended as “excellent” (46.1 percent) or “good” (43 percent). 82.9 percent said, if they could begin again, they “definitely” or “probably” would attend the same college or university. Asked if they would recommend that college or university to someone else, 95.7 percent said “yes.” For most measures, NDUS alumni responses either closely paralleled or exceeded national comparisons.

AY 2000-01 Responsiveness to Clients: Graduates

How would you rate the overall quality of instruction?

	NDUS %	Nat'l %
Very satisfied	29.4	37.0
Satisfied	53.1	45.4
Neutral	10.4	8.9
Dissatisfied	2.8	3.2
Very dissatisfied	0.7	0.9
No opinion	0.6	0.7
Blank	3.1	3.9

How well did experiences at this school prepare you for your current job?

	NDUS %	Nat'l %
Exceptionally well	18.3	16.6
More than adequate	26.7	25.8
Adequately	35.2	32.1
Less than adequate	4.4	4.0

If you could begin again, would you attend this school?

	NDUS %	Nat'l %
Definitely yes	45.9	44.7
Probably yes	37.0	34.9
Uncertain	8.6	9.4
Probably no	4.5	6.1
Definitely no	1.7	1.9
Blank	2.3	2.9

Overall, how would you rate this school?

	NDUS %	Nat'l %
Excellent	46.1	44.8
Good	43.0	41.1
Average	7.9	9.7
Poor	0.7	1.4
Blank	2.3	3.0

Would you recommend this school to someone who asked your opinion?

	NDUS %	Nat'l %
Yes, without reservation	70.1	63.0
Yes, with some reservation	25.6	31.0
No	2.0	2.9
Blank	2.3	3.1

Responsiveness to Clients: Employers

Accountability Measure 7.e.

Client satisfaction – levels of satisfaction with responsiveness as reflected through responses to evaluations and surveys of clients: (a) graduates and individuals completing programs **(b) employers** (c) companies and employees receiving training

Does the NDUS respond to employers' needs?

A key measure of responsiveness is employer satisfaction with system graduates. Employers of NDUS graduates are, on average, “very satisfied” with the skills and knowledge they rated as “very important.”

About Section B of This Measure: Employers

In the first NDUS employer satisfaction survey, which was administered Fall 2004, 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 that skill. Several questions were asked in four categories – *knowledge and understanding; qualities generally expected; general skills and specific skills*. All questions were rated on a 1 to 5 scale with 5 being “extremely” important or satisfied and 1 being “not at all” important or satisfactory. For example, employers gave *knowledge and understanding in employee's field of study* a “very important” (4.18) rating and said they were “very

satisfied” (4.02) 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 a “very important” rating of 4.5 or higher. Employers said the NDUS graduates met their expectations in this area by again giving each of those items a “very satisfied” rating. The most important general skills to employers were teamwork, listening to others, customer service and verbal and written communication. Employers were “very satisfied” with the general skills in teamwork, listening to others, customer service, and verbal communication; they were “somewhat satisfied” with the written skills of the NDUS graduate. In specific skills, employers rated the ability to set goals and allocate time to achieve them and the ability to translate theory into practice, as being “somewhat important” and were “somewhat satisfied.”

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

See Measure 1.d. on Page 18 for more background information.

Survey question	NDUS Mean	National Mean
Overall, how SATISFIED are you that this employee demonstrates the qualities you would expect from a college graduate?	4.23	4.18
Overall, how SATISFIED are you with this employee's general skills as they relate to the requirements of the job?	4.16	4.12
Overall, how SATISFIED are you with this employee's specialized skills as they relate to the requirements of the job.	3.93	3.86
Based on your experience with this employee, how LIKELY are you to hire other graduates of this school?	4.15	4.13
5 = Extremely 4 = Very 3 = Somewhat 2 = Not very 1 = Not at all		

Responsiveness to Clients: Companies and Employees

Accountability Measure 7.e.

Client satisfaction – levels of satisfaction with responsiveness as reflected through responses to evaluations and surveys of clients: (a) graduates and individuals completing programs (b) employers (c) **companies and employees receiving training**

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

In FY 2004, companies reported a 99.5 percent satisfaction level with responsiveness of the workforce training system in North Dakota to requests for training.

About Section C of This Measure: Companies and Employees

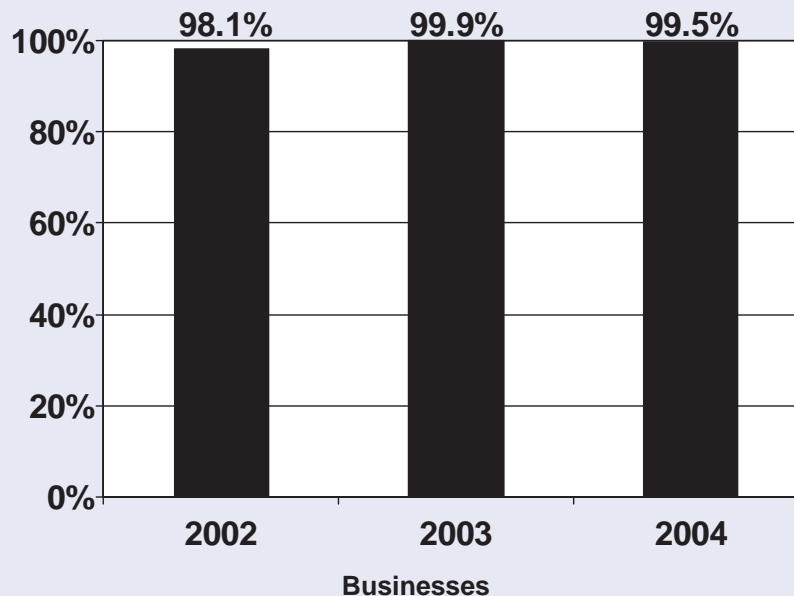
The statewide Task Force on Improving Workforce Training and the Roundtable on Higher Education both recommended several accountability measures related to the workforce training system in North Dakota, including measurement of the responsiveness to clients.

In FY 2004, the 1,430 companies that contracted for training through the workforce training system reported an average satisfaction level of 99.5 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 three-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
2002 through 2004**



Biennial Report on Employee Satisfaction

Accountability Measure 1.e.

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

About This Measure

About 2,000 NDUS employees responded to the second National Campus Quality Survey administered to all system employees. 76 percent of all respondents rated their overall job satisfaction as “satisfied” (48 percent) or “very satisfied” (28 percent). The remaining 23 percent rated their overall job satisfaction as “neutral” (10 percent), “somewhat dissatisfied” (11 percent) and “not satisfied at all” (2 percent).

Participants included 637 faculty members, 666 support staff, 597 administrative professionals and 63 department chairs. (Nineteen respondents did not designate an employment category).

When asked to rate their overall impression of quality on their campus, the majority of

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.

respondents said quality was “good” (54 percent) or “excellent” (21 percent). The remaining 22 percent said their overall impression was “average” (17 percent), “below average” (4 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 are organized into eight quality management categories. Their responses were compiled and are reflected in Table 1 below.

Table 1: Comparisons of National Norms in Eight Main Survey Categories of Staff Perception of “How It Is Now” 2002 and 2004

	How It Is Now		System Performance Gap		National Performance Gap	
	2004	2002	2004	2002	2004	2002
1. Top Management Leadership & Support	3.337	3.285	1.111	1.159	1.161	1.187
2. Employee Empowerment	3.349	3.289	1.029	1.077	1.147	1.175
3. Employee Training and Recognition	3.166	3.101	1.250	1.305	1.333	1.367
4. Measurement and Analysis	3.370	3.313	0.982	1.021	1.076	1.112
5. Quality/Productivity	3.324	3.256	0.992	1.043	1.084	1.119
6. Strategic Quality Planning	3.406	3.291	0.939	1.030	1.192	1.219
7. Quality Assurance	3.356	3.301	0.938	0.973	1.076	1.105
8. Customer Focus	3.410	3.326	0.904	0.973	1.006	1.037

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.

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.

NDUS performance gaps are smaller than national norms in all eight categories. This indicates NDUS employees’ expectations are closer to being met than the corresponding national norms.

It should be noted that there are no absolute values in performance gaps that indicate a need for improvements efforts. The University System

intends to study the data in the comprehensive report to identify improvement opportunities in all areas. These will be subject to prioritizing and goal setting within the ongoing planning process of the system.

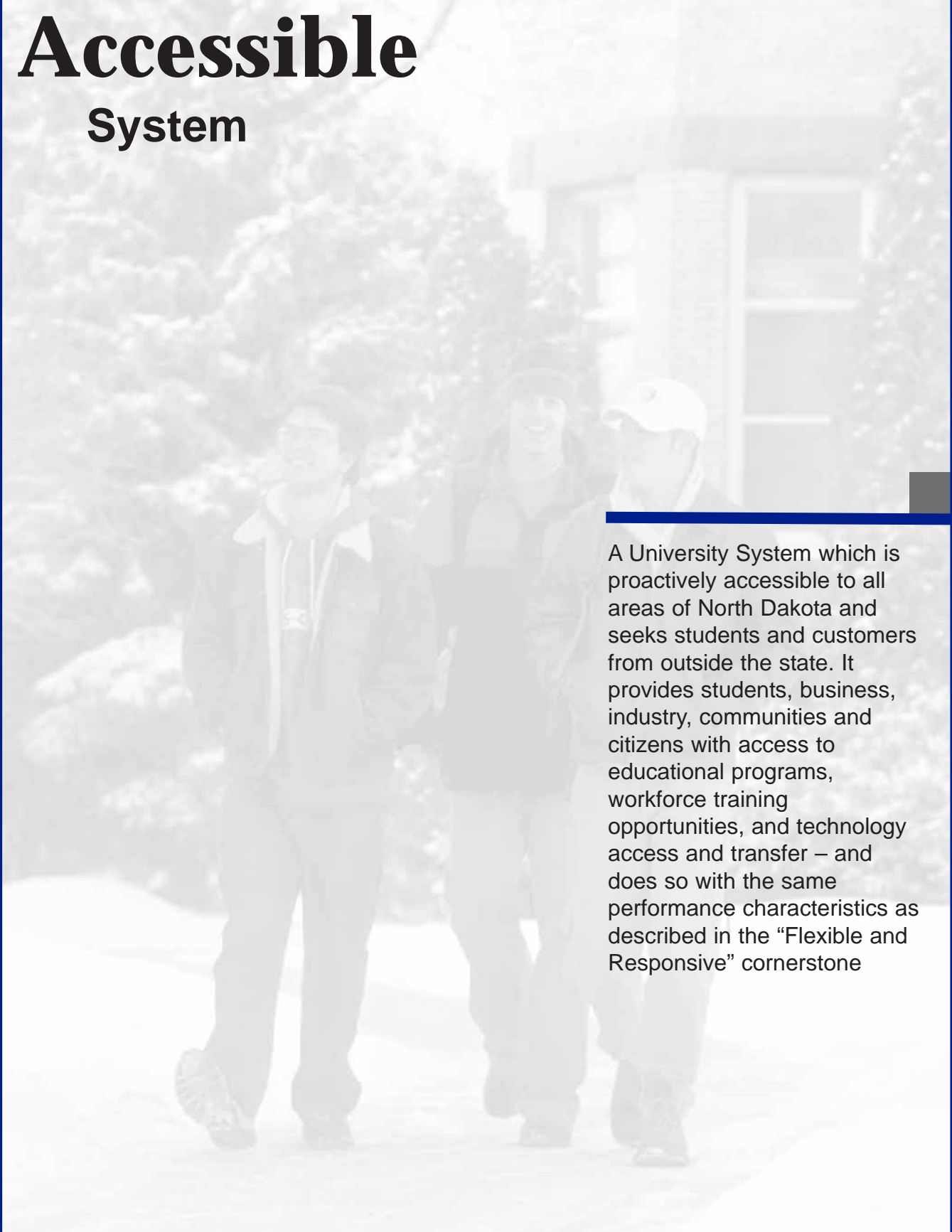
Employees also responded to 10 survey questions customized for the University System. National comparisons are not available for the NDUS customized questions. As in 2002, the smallest gap was in regard to the University System’s relationship with the private sector and business community, and the largest gap concerned employee involvement in planning for the future.

Table 2: Performance Gap on NDUS Customized Questions 2002 and 2004

	How It Is Now		Overall System Performance Gap	
	2004	2002	2004	2002
The NDUS involves employees in planning for the future.	2.856	2.849	1.474	1.499
There are effective lines of communication between campuses.	2.922	2.862	1.394	1.492
NDUS employees are empowered to resolve problems quickly.	2.921	2.858	1.376	1.458
The NDUS plans carefully.	3.036	3.057	1.400	1.335
The mission, purpose, and values of the NDUS are familiar to employees.	3.038	3.047	1.285	1.254
The NDUS listens to students.	3.135	3.152	1.163	1.155
NDUS administrators cultivate positive relationships with students.	3.130	3.116	1.138	1.146
The NDUS provides flexibility and responsibility at the campus level.	3.303	3.255	1.061	1.086
NDUS administrators are committed to providing quality service.	3.424	3.396	1.002	1.051
The NDUS has positive relationships with the private sector and business community.	3.426	3.402	0.923	0.929

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.

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

Student Participation Levels and Trends

Accountability Measure 7.g.

Student participation – levels and trends in rates of participation of: (a) recent high school graduates and non-traditional students and (b) individuals pursuing graduate degrees

About This Measure

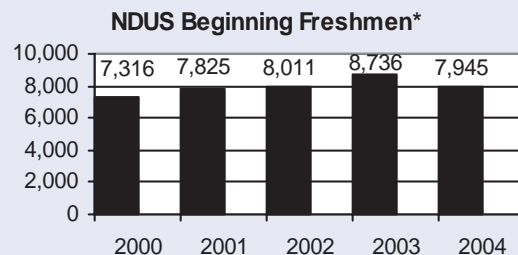
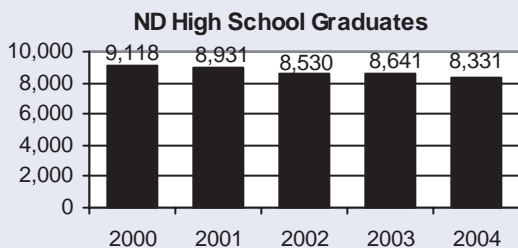
Overall, beginning freshmen enrollment increased between Fall 2000 and Fall 2004, although data within this five-year span indicates the beginning of a downward enrollment trend. For the first time, in 2004 there were fewer beginning freshmen than the previous year. The Fall 2004 beginning freshmen enrollment of 7,945 is 791 fewer (9.1 percent) than the Fall 2003 total of 8,736. According to a 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.

Who's enrolling at NDUS institutions?

An increasing number of students age 25 and older are enrolling at NDUS colleges and universities. The number of students enrolled in graduate and professional programs has increased 40.9 percent in the past five years.

In contrast, non-traditional student participation increased from 7,646 to 10,425 between Fall 2000 and Fall 2004, a 36.3 percent increase in 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 40.9 percent in the past five years. In Fall 2000, 3,002 students were enrolled in graduate and professional programs. In Fall 2004, this number increased to an all-time high of 4,229.



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

Participation Rates of Non-Traditional Students^{1,2}

Year	Total NDUS Enrollments	# of Students Age 25 and Older	Participation Rate
2004	42,503	10,425	24%
2003	41,620	10,015	24%
2002	39,614	9,401	24%
2001	37,596	8,712	23%
2000	35,093	7,646	22%

¹In 2001, the SBHE changed its enrollment reporting policy to be more consistent with national IPEDS reporting. It is estimated that this definition change might have accounted for no more than 3.7 percent of the total 7.1 percent enrollment increase between Fall 2001 and 2002.

²Includes both resident and non-resident enrollments.

NDUS Graduate Degree Participation Rates^{1,2}

Year	Total NDUS Enrollments	NDUS Graduate Students	Participation Rate
2004	42,503	4,229	10%
2003	41,620	4,020	10%
2002	39,614	3,618	9%
2001	37,596	3,026	8%
2000	35,093	3,002	9%

¹In 2001, the SBHE changed its enrollment reporting policy to be more consistent with national IPEDS reporting. It is estimated that this definition change might have accounted for no more than 3.7 percent of the total 7.1 percent enrollment increase between Fall 2001 and 2002.

²Includes both resident and non-resident enrollments.

Enrollment Numbers and Trends: Total Number

Accountability Measure 7.d.

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 the new reporting procedures, which are consistent with the United States Department of Education's Integrated Postsecondary Education Data System (IPEDS) data, all degree credit enrollments now are being reported.

The trend in enrollment of full-time and part-time degree-seeking students measured by

How many students does the NDUS serve?

NDUS part-time and full-time degree credit headcount enrollment continues to increase, and now is at an all-time high of 42,503 students (*Fall 2004 Enrollment Report*). This is in addition to an annual total of 7,267 non-degree-credit students and 11,401 non-credit students served in AY 2004.

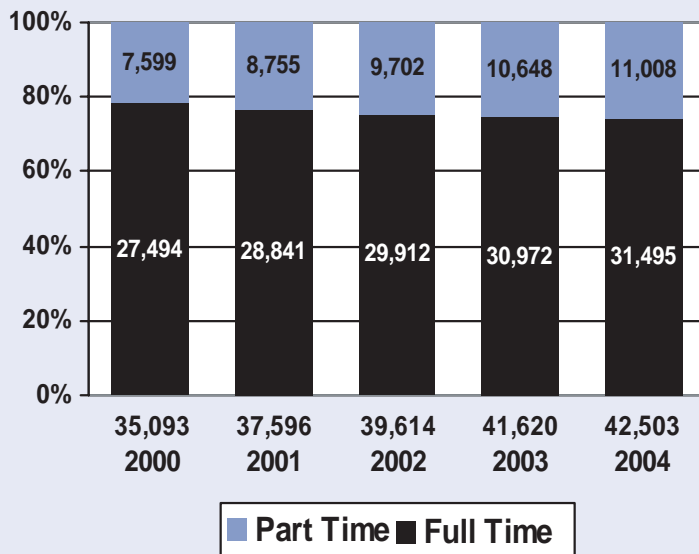
Fall 2000 through Fall 2004 headcount enrollment indicates continued growth for five years.

Beginning with Summer 2001, credit, non-degree credit and non-credit enrollments are reported on an annual basis. The 2004 NDUS annual enrollment report includes Summer 2003, Fall 2003 and Spring 2004. This report shows a systemwide unduplicated total of 47,430 degree-credit enrollments, 7,267 unduplicated non-degree credit enrollments and 11,401¹ unduplicated non-credit enrollments. When credit, non-degree credit and non-credit enrollment are added together and unduplicated, the report shows that, systemwide, the NDUS served 52,129 individual students during this time period. This is a conservative number based only on students who have provided adequate identification information.

From a campus perspective, non-credit services, including workforce training, were provided to more than 4,400 businesses, organizations, schools and agencies.

¹ Note: Previous reports on this measure included non-credit enrollments that may have been duplicated.

Percentage of Full and Part-Time Degree-Seeking Students Fall 2004



Source: Fall Enrollment Reports for 2000, 2001, 2002, 2003 and 2004.

Non-Traditional Delivery Methods

Accountability Measure 3.b.

Number and trends 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.

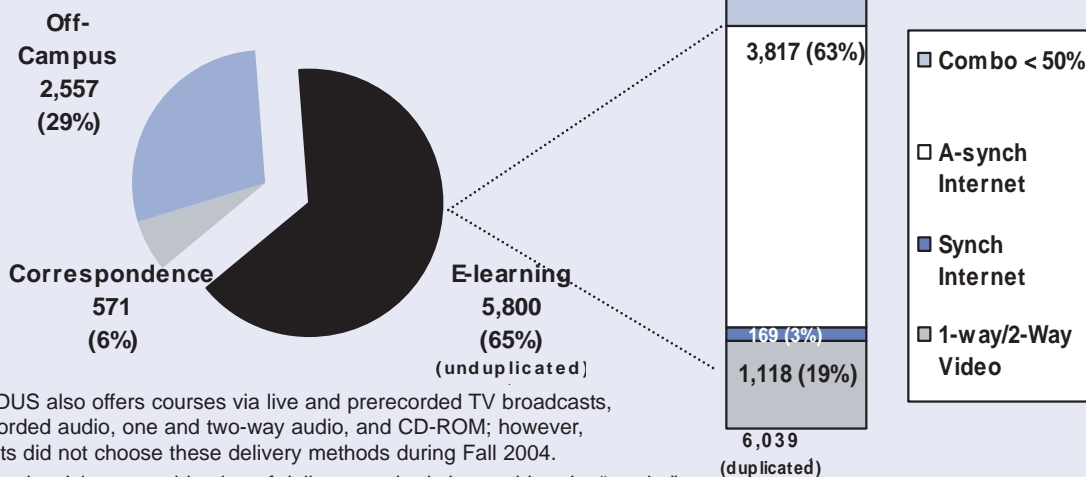
Classes are offered via correspondence study, face-to-face meetings at off-campus sites and through e-learning. E-learning includes online internet courses, which can be offered in a synchronous (at the same time) mode or an asynchronous (independent of time) mode. E-learning also includes prerecorded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

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

During Fall 2004, the NDUS served 8,505 students who enrolled in courses for credit through non-traditional delivery methods.¹ These students comprise 20 percent of the system’s total headcount enrollment. Enrollment by students who take courses in a variety of non-traditional delivery methods increased 17.9 percent since Fall 2003.

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 is increasing.

Distance Education Degree Credit Student Headcount Enrollment Fall 2004



The NDUS also offers courses via live and prerecorded TV broadcasts, prerecorded audio, one and two-way audio, and CD-ROM; however, students did not choose these delivery methods during Fall 2004.

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.

¹ 239 enrollments involved students who took multiple courses delivered by different E-learning delivery methods. 423 enrollments involved students who took courses by all distance education delivery methods. Therefore, a total of 8,505 headcount enrollments were in non-traditional delivery method courses for credit. Source: *Fall 2004 Enrollment Report*, Tables 9-9a.

	Face-to-face Off-campus	Correspondence	E-learning	Unduplicated DE 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

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

Tuition and Fees Compared to the Regional Average

Accountability Measure 4.a.

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

About This Measure

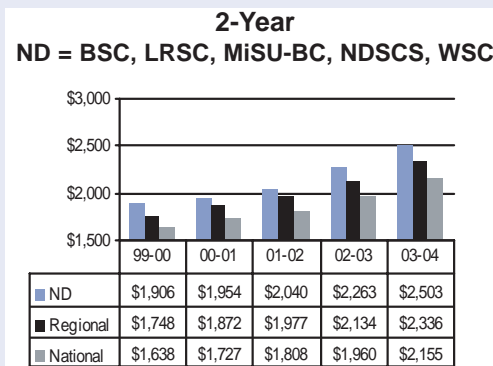
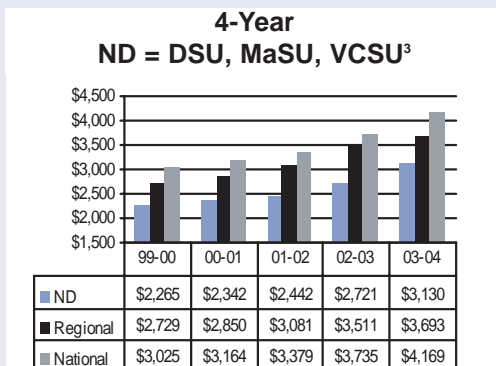
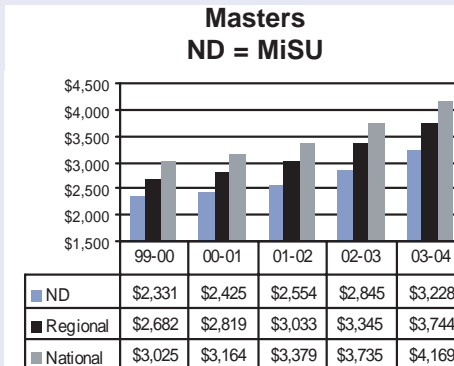
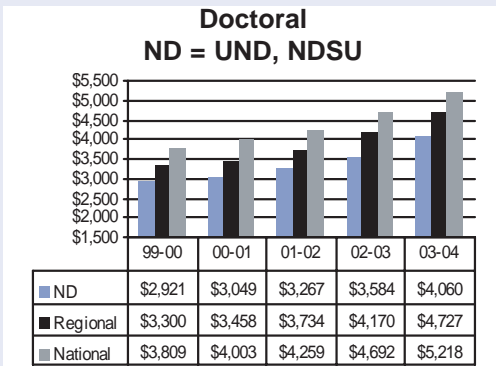
The 2003-04 average resident undergraduate tuition and required fees at UND and NDSU were \$667 or 14 percent less than the regional average and \$1,158 or 22 percent less than the national average. MiSU's tuition and fees were \$516 or 14 percent less than the regional average and \$941 or 23 percent less than the national average. Rates at DSU, MaSU and VCSU also were less than the regional average by \$563 or 15 percent and less than the national average by \$1,039 or 25 percent.

How do North Dakota tuition and fees compare to other states?

Tuition and required fees at North Dakota's public campuses are less than their regional and national counterparts, except at the two-year campuses.

Tuition and fees at the two-year campuses are higher than the regional average by \$167 or 7 percent and higher than the national average by \$348 or 16 percent. Regional two-year campus rates have increased almost 49 percent during the last seven years, while two-year campus rates in North Dakota have increased about 38 percent during the same period.

Resident Undergraduate Tuition & Required Fees: A Regional and National Comparison^{1,2} 1999-00 through 2003-04



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 annual laptop computer fee at MaSU and \$902 at VCSU.

Data Source: 2003-04 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

Accountability Measure 4.b.

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

About This Measure

In 2003-04, tuition and required fees at UND and NDSU were about 11 percent of the median household income in North Dakota or roughly the same percentage as their regional counterparts. The national average was slightly higher at 12 percent.

To attend MiSU, North Dakotans contributed 9 percent of their median household income to tuition and required fees or roughly the same percentage as their regional counterparts. The national average was slightly higher at almost 10 percent.

Is public higher education in North Dakota affordable for residents?

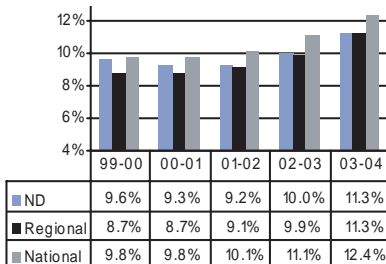
Tuition and fees at NDUS campuses, as a proportion of median household income, are about the same or slightly lower than regional and national averages, except at the two-year campuses.

The regional four-year tuition and required fee rates at DSU, MaSU and VCSU were almost 9 percent of the median household income or roughly the same as their regional counterparts. The national average was almost 10 percent.

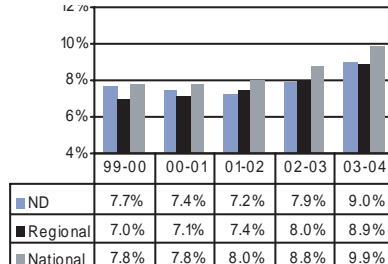
The greatest differential exists at the two-year campuses where North Dakota residents contribute 7 percent of their income to cover tuition and required fees, while the regional contribution is 5.6 percent and the national average is 5.1 percent.

Resident Undergraduate Tuition and Required Fees As a Percent of Median Household Income ^{1,2,3} 1999-00 through 2003-04

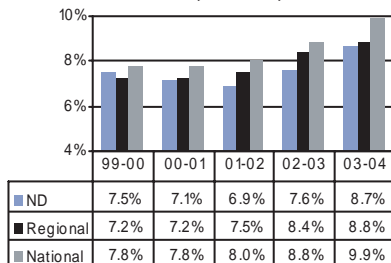
Doctoral ND = UND, NDSU



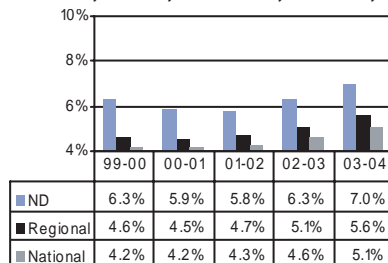
Masters ND = MiSU



4-Year ND = DSU, MaSU, VCSU⁴



2-Year ND = BSC, LRSC, MiSU-BC, NDSCS, WSC



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 annual laptop computer fee at MaSU and \$902 at VCSU.

Data Source: 2003-04 Tuition and Fee Rates: A National Comparison, Washington State Higher Education Coordinating Board, and NDUS Institutional Charges Schedule.

NDUS Partnerships and Joint Ventures

Accountability Measure 7.b.

Partnerships and joint ventures – levels and trends in partnerships and joint ventures between University System institutions

About This Measure

Every NDUS institution is involved in one or more partnerships with other system institutions. Many examples follow.

Student access to degree programs continues to increase; campuses now jointly offer 45 programs. In addition, 1,316 articulation agreements and 2,015 courses on the common course numbering matrix support seamless transfer for students. The six NDUS campuses that offer teacher education partnered to meet federal No Child Left Behind (NCLB) legislation by providing major equivalencies to area teachers.

NDUS institutions also share services and centers. For example, ODIN, HECN, IVN, ACCESS and technology help desks jointly provide statewide services. (Terms defined on Page viii.) The NDUS also is partnering with state government to implement *ConnectND*, a comprehensive financial, human and student resource management software system designed to integrate North Dakota government and universities into one administrative network.

Four NDUS community colleges have been assigned primary responsibility for assuring workforce training is provided throughout the state of North Dakota; these colleges are BSC, LRSC, NDSUS and WSC. In FY 2004, 1,430 companies contracted for training through the workforce training system.

The North Dakota University System Online (NDUSO) is a collaborative effort of the 11 system campuses that coordinates 24 certificate programs, 33 associate degree programs, 15 bachelor degree programs and four graduate degree programs. In addition, 27 credit programs

Are NDUS institutions partnering to improve access and efficiency?

Institutions are working together to improve access and efficiency throughout North Dakota by creating partnerships in research, service centers, academic programs and services. Two or more NDUS institutions have partnered in six centers and three research efforts. In addition to the 45 jointly offered academic programs, NDUS institutions collaborate on the online delivery of 24 certificate programs, 33 associate degree programs, 15 bachelor degree programs and four graduate degree programs.

are offered via the North Dakota Interactive Video Network (IVN).

NDUS campuses also partner on several service centers, such as Working in Education Against Violence (WEAV), as well as centers for rural studies, math and science, and human nutrition.

UND and NDSU lead research activities, such as the Experimental Program to Stimulate Competitive Research (EPSCoR) and the North Dakota IDeA Networks for Biomedical Research Excellence (INBRE), with varying levels of involvement by the other institutions. NDSU and DSU are partners in agricultural research at the Dickinson Research and Extension Center.

An all-inclusive list of partnerships and joint ventures among NDUS institutions would be extensive and difficult to compile. It is important, however, to note that the Roundtable on Higher Education, a partnership of the legislative and executive branches of state government, the private sector and the University System, has stimulated continuous and productive examination of how NDUS campuses can, and do, partner to create efficiencies and to help the system become an even stronger engine for enhancing the economy of all of North Dakota.

NDUS Partnerships and Joint Ventures AY 2003-04

Program	BSC	DSU	LRSC	MaSU	MiSU	MiSU-BC	NDCS	NDSU	UND	VCSU	WSC
Accounting, BS	x	x									
Admin Assistant					x	x					
Advertising and Marketing					x	x					
Agriculture, BS		x						x			
Applied Science & Technology	x	x									x
Associate in Arts	x	x	x		x	x	x				x
Bachelor of Applied Science	x	x			x						x
Bachelor of Science in Nursing					x						x
Business Administration, BS			x	x							
Career and Technical Educ	x						x			x	
Composite Social Science	x	x									
Composite Science	x	x									
Computer Science			x				x				
Criminal Justice	x		x		x			x	x		
Criminal Justice, PhD					x				x		
Early Childhood		x	x	x	x						x
Education, BA	x	x									
Education, MEd				x	x						
Education Leadership								x	x		
Elementary Education								x		x	
English	x	x	x	x							
English Education			x	x							
Engineering								x	x		
Flight Education									x		x
History, PhD								x	x		
Legal Assistant			x		x						
Library Science				x						x	
Licensed Practical Nurse					x		x	x		x	
Management	x				x						
Massage Therapy	x				x						x
Medical Assistant	x				x	x					
Medical Secretary					x	x					
Nursing	x		x			x	x				x
Paraeducator	x		x			x	x				x
Physical Therapy Asst	x				x						x
Police Academy			x		x						
Practical Nursing	x		x								x
Reception Services					x	x					
Skills & Technology Training Center							x	x			
Social Sciences, BS/BA	x	x									
Speech Language Pathology Assistant			x								x
University Studies, BS	x	x									x
Teacher Education					x				x		
Technology Education	x	x					x		x	x	
Technology Ed, MS									x	x	

45-Minute Access

Accountability Measure 3.a.

Proportion of residents of the state who are within a 45-minute drive of a location at which they can receive educational programs from a provider

About This Measure

About 67,000 or 9 percent of North Dakota residents currently do not live within 45 minutes of a traditional learning center, such as a public, private or tribal college. Improving access to education is a high priority of the State Board of Higher Education and evolving technologies such as the Internet have made it possible to expand access to educational opportunities.

Traditionally measured by “windshield time” or the time needed to drive to a college or university, access now can be gauged by the availability of a computer and a connection to the Internet. While maintaining a commitment to traditional learning, NDUS colleges and universities have responded aggressively to this new environment. The Interactive Video Network has provided access to learning opportunities for more than a

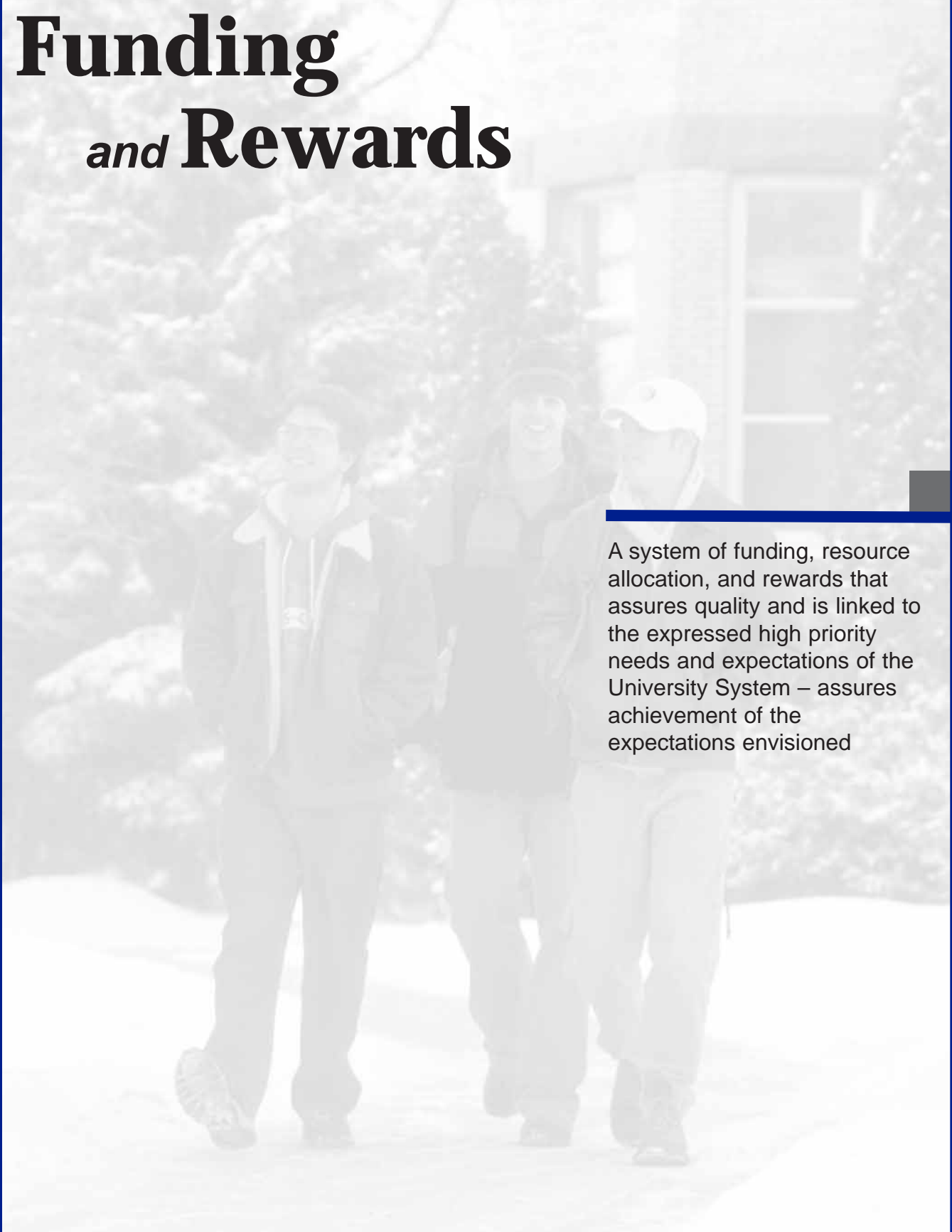
Can North Dakota residents access education within 45 minutes of their homes?

More than 90 percent of North Dakota residents have access to higher education within 45 minutes of their homes, and almost all North Dakotans have access to higher education through Internet-based distance learning opportunities.

decade. Additional enhanced distance learning opportunities now are available through the North Dakota University System Online (NDUSO). Currently, 24 certificate programs, 33 associate degree programs, 15 bachelor degree programs and four graduate degree programs are available totally online. More than 500 individual courses also are available online through NDUS colleges and universities.

Partners working to improve access include the public, private and tribal colleges; the NDSU Extension Service; K-12; STAGenet (The North Dakota State Network); public libraries and other agencies.

Funding *and* Rewards

A grayscale photograph of three people walking on a snowy path. The person on the left is a man in a dark jacket and pants. The person in the middle is a woman in a dark jacket and pants. The person on the right is a man in a dark jacket, light-colored pants, and a white cap. They are all smiling and looking towards the camera. The background shows a brick building and some trees.

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

Status of NDUS Long-Term Finance Plan

Accountability Measure 6.a.

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 Long-Term Finance Plan, including 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 revenues, was established for each NDUS campus, based on a selected group of peer institutions.

How well are NDUS campuses funded, compared to the Long-Term Finance Plan?

Ten of the 11 campuses are funded at less than their operating benchmarks per FTE student. All campuses exceed their student-share target. NDUS campuses are funded at an average of 16 percent of the OMB capital assets formula and at 5.7 percent of total capital funding needs, including outstanding deferred maintenance.

Although 10 of the 11 NDUS campuses are funded at less than their benchmarks, the following table illustrates a wide range of variances, from MiSU-BC, which is at 69 percent of its benchmark, to VCSU, which is at 105 percent of its combined state appropriation and net tuition benchmark.

Continued, Page 46

FY 2004 State Appropriations and Net Tuition as a Percent of Benchmark per FTE Student

Institution	State Appropriation & Net Tuition per FTE Student	Benchmark per FTE Student ¹	State Appropriation & Net Tuition as a Percent of Benchmark
Bismarck State College	\$6,790	\$8,790	77%
Dickinson State University	\$6,530	\$8,500	77%
Lake Region State College	\$7,350	\$10,490	70%
Mayville State University ²	\$9,790	\$10,200	96%
Minot State University	\$8,230	\$9,640	85%
Minot State University-Bottineau Campus	\$7,050	\$10,200	69%
North Dakota State College of Science	\$9,280	\$9,640	96%
North Dakota State University ³	\$9,030	\$11,900	76%
University of North Dakota ⁴	\$11,300	\$15,020	75%
Valley City State University ²	\$10,660	\$10,200	105%
Williston State College	\$7,040	\$8,500	83%

¹ Benchmarks originally established for 1998-99 data comparisons have been adjusted for inflation using the annual change in the Consumer Price Index, which was 3.7 percent for June 2000, 3.2 percent for June 2001, 1.1 percent for June 2002, 2.1 percent for June 2003 and estimated at 1.2 percent for June 2004 and 1.4 percent for June 2005.

² Technology revenues subtracted from tuition revenues (Mayville = \$877 per FTE student, Valley City = \$1,072 per FTE student).

³ Current state appropriations include deductions for HECN (\$341 per FTE student), Ag Extension and Experiment (\$2,825 per FTE student) and flood appropriations (\$20 per FTE student).

⁴ Current state appropriations include deductions for HECN, IVN and ODIN (\$525 per FTE student), and flood appropriations (\$104 per FTE student).

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

Status of NDUS Long-Term Finance Plan (cont.)

Funding higher education is a responsibility shared among the stakeholders. Both state and student share targets were established for each type of NDUS campus in the Long-Term Finance Plan. In addition, campuses are encouraged to be entrepreneurial and generate other sources of revenue to help support operations. The actual

state/student share percentages compared to their targets are reflected in the table below.

All 11 campuses exceeded their student-share target. Since FY 2002, the state share (state appropriations) has decreased from 59 percent to 45 percent. For the campuses to meet their targets, a higher proportion of funding must be provided by the state.

FY2004 Current State (State Appropriations) and Student (Net Tuition) Shares Compared to Target Shares per the Long-Term Finance Plan

Institution	Current Shares		Target Shares	
	% State Approp.	% Student Tuition	% State Approp.	% Student Tuition
Bismarck State College	44%	56%	75%	25%
Dickinson State University	51%	49%	70%	30%
Lake Region State College	44%	56%	75%	25%
Mayville State University ¹	66%	34%	70%	30%
Minot State University	54%	46%	65%	35%
Minot State University- Bottineau Campus	63%	37%	75%	25%
North Dakota State College of Science	61%	39%	75%	25%
North Dakota State University ²	40%	60%	60%	40%
University of North Dakota ³	40%	60%	60%	40%
Valley City State University ¹	69%	31%	70%	30%
Williston State College	52%	48%	75%	25%
NDUS Average	45%	55%		

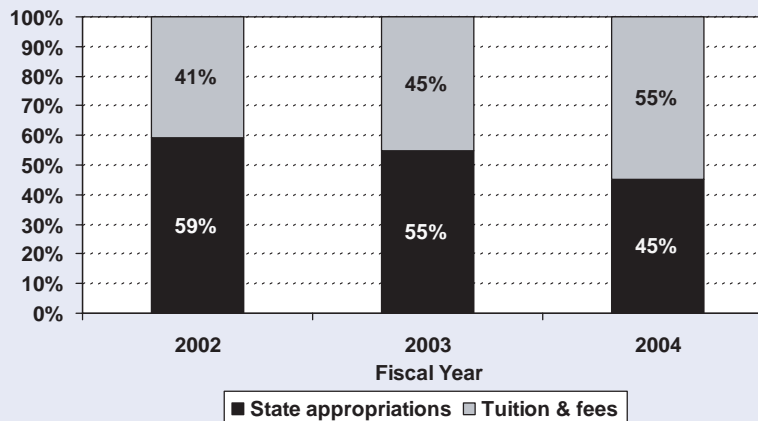
¹ Technology revenues subtracted from tuition revenues (Mayville = \$597,052, Valley City = \$885,485).

² Current state appropriations include deductions for HECN (\$3,470,144), Ag Extension and Experiment (\$28,763,949) and flood appropriations (\$200,000).

³ Current state appropriations include deductions for HECN, IVN and ODIN (\$6,085,050) and flood appropriations (\$1,200,000).

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

NDUS Average State and Student Share



The capital asset funding model calls for funding all campuses at 100 percent of the OMB building and infrastructure formula (\$42.9 million), phased in over 10 years, plus 100 percent funding of outstanding deferred maintenance (\$78.4 million), phased in over 14 years.

The 2003–05 capital asset appropriation for NDUS campuses, excluding major capital

projects, totals \$6.9 million, compared to the total outstanding needs of \$121.3 million.

NDUS campuses are funded at an average of 16 percent of the OMB formula, ranging from 6.5 percent at LRSC to 24.5 percent at MiSU-BC. Overall, NDUS campuses are funded at 5.7 percent of the total combined needs of \$121.3 million.

Capital Asset Funding Model Compared to 2003-05 Capital Asset Appropriation

	Capital Asset Formula			Current 2003-05 Appropriation		
	OMB Bldg & Infrastructure*	Deferred Maintenance	Total Outstanding Needs	Current 2003-05 Appropriation	% OMB Formula	% Total Combined Needs
Bismarck State College	\$1,733,719	\$1,822,555	\$3,556,274	\$250,000	14.4%	7.0%
Dickinson State University	1,644,390	8,215,150	9,859,540	393,962	24.0%	4.0%
Lake Region State College	694,143	327,026	1,021,169	44,831	6.5%	4.4%
Mayville State University	1,054,411	5,752,900	6,807,311	214,589	20.4%	3.2%
Minot State University	3,617,868	2,298,700	5,916,568	612,850	16.9%	10.4%
MiSU-Bottineau Campus	459,251	1,538,650	1,997,901	112,663	24.5%	5.6%
ND State College of Science	3,963,633	5,382,158	9,345,791	773,500	19.5%	8.3%
North Dakota State University	11,804,370	21,042,332	32,846,702	1,737,531	14.7%	5.3%
University of North Dakota	15,840,567	24,925,411	40,765,978	2,362,136	14.9%	5.8%
Valley City State University	1,475,345	5,849,400	7,324,745	265,334	18.0%	3.6%
Williston State College	614,651	1,224,938	1,839,589	88,790	14.5%	4.8%
TOTAL	\$42,902,348	\$78,379,220	\$121,281,568	\$6,856,186	16.0%	5.7%

* OMB formula generated amount.

State General Fund Appropriation Compared to Peer Institutions

Accountability Measure 4.f.

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

About This Measure

Over time, this measure is intended to demonstrate progress toward achieving the Long-Term Finance Plan goal of moving all institutions currently below 85 percent of their peer benchmarks to 85 percent within six years, and then moving all institutions below 95 percent of their peer benchmarks to 95 percent within 12 years.

The amounts included in this report reflect 2003-05 state general fund levels for NDUS institutions as compared to their peer benchmarks. All NDUS campuses are funded at

How well does North Dakota fund NDUS campuses, compared to peer institutions?

Based on 2003-05 state funding levels, all NDUS campuses are funded at less than 100 percent of their peer campus benchmarks and most at less than 95 percent of their long-term peer benchmark targets. The NDUS campuses, as a whole, are funded at an average of 56.7 percent of their peer campus benchmarks and 59.7 percent of their 95 percent benchmarks.

less than 100 percent of their peer benchmarks and all except VCSU are funded at less than 95 percent of their long-term benchmark targets. NDUS campuses, as a whole, are funded at an average of 56.7 percent of their peer benchmarks and 59.7 percent of their 95 percent benchmarks.

**2003-05 State General Fund Appropriation Levels (In Millions)
As a Percent of Peer Benchmark¹**

	NDUS Campuses 03-05 Approp.	95% of Peer Benchmark	NDUS Campus as a Percent of 95% Benchmark	NDUS Campus as a Percent of 100% Benchmark
Bismarck State College	\$15.6	\$33.4	46.7%	44.4%
Dickinson State University	13.6	22.3	61.0%	58.0%
Lake Region State College	5.0	11.4	44.3%	42.1%
Mayville State University	8.6	9.2	93.1%	88.4%
Minot State University	25.8	35.6	72.5%	68.8%
MiSU-Bottineau Campus	4.1	6.7	60.7%	57.7%
ND State College of Science	23.7	29.2	81.3%	77.2%
North Dakota State University ²	70.6	138.1	51.1%	48.6%
University of North Dakota ³	117.0	198.4	59.0%	56.1%
Valley City State University	11.3	11.2	100.9%	95.8%
Williston State College	5.4	8.4	63.9%	60.7%
Total - NDUS	\$300.7	\$503.9	59.7%	56.7%

¹ Benchmarks originally established for 1998-99 data comparisons have been adjusted for inflation using the annual change in the Consumer Price Index, which was 3.7 percent for June 2000, 3.2 percent for June 2001, 1.1 percent for June 2002, 2.1 percent for June 2003 and estimated at 1.2 percent for June 2004 and 1.4 percent for June 2005.

² Includes ag extension and experiment stations.

³ Includes medical school.

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

Allocation and Use of Incentive Funding

Accountability Measure 6.b.

Incentive funding, including the allocation and use of incentive funding

About This Measure

This measure reports on allocation and use of the Board Initiative Block Grant.

The NDUS Long-Term Finance Plan recommends that incentive funding of 2 percent of higher education's total state general fund appropriation should be appropriated and used to support state priorities.

For the 2003-05 biennium, only \$485,306, or .16 percent of the 2003-05 state general fund appropriation for higher education was appropriated for the Board Initiative Block Grant.

How was incentive funding used in FY04?

About 55 percent of the 2003-05 Board Initiative Block Grant state general fund appropriation was allocated as of June 30, 2004, in support of the objectives identified in the *Roundtable Report*.

The recommended level of 2 percent would equal \$6 million for the biennium or \$3 million per year.

The following table shows allocation and use of the 2003-05 Board Initiative Block Grant through June 30, 2004. A total of \$352,137 was unallocated as of that date, which includes the remaining appropriation for 2003-05, as well as \$294,306 in carryover from 2001-03.

Allocation of Funds from 2003-05 Board Initiative Block Grant As of June 30, 2004

Community of Science	\$77,600
Diversity Initiative	21,375
Alcohol Consortium	75,000
Community College Consortium	30,000
Collaboration and Cooperation Program	150,000
Arts and Humanities Summit	10,000
Research and Development Summit	15,000
NDUS Web Site Revisions	13,500
NDUS Consolidated Financial Statements	15,000
Project Vital Link	<u>20,000</u>
Total Allocated as of June 30, 2004	\$427,475

General Fund Appropriation Levels and Trends

Accountability Measure 6.c.

State general fund appropriation levels and trends as compared to changes in the state's economy and total state general fund appropriations

About This Measure

To compare state general fund appropriations with changes in the state's economy, changes in personal income and gross state product are used as state economic indicators.

Changes in total state general fund appropriations and changes in state general fund appropriations for higher education appear to track closely to one another, while the trend line for gross state product is more similar to that of personal income. Changes in personal income and gross state product are directly tied to the

How do trends in state general fund appropriations compare to trends in the state's economy?

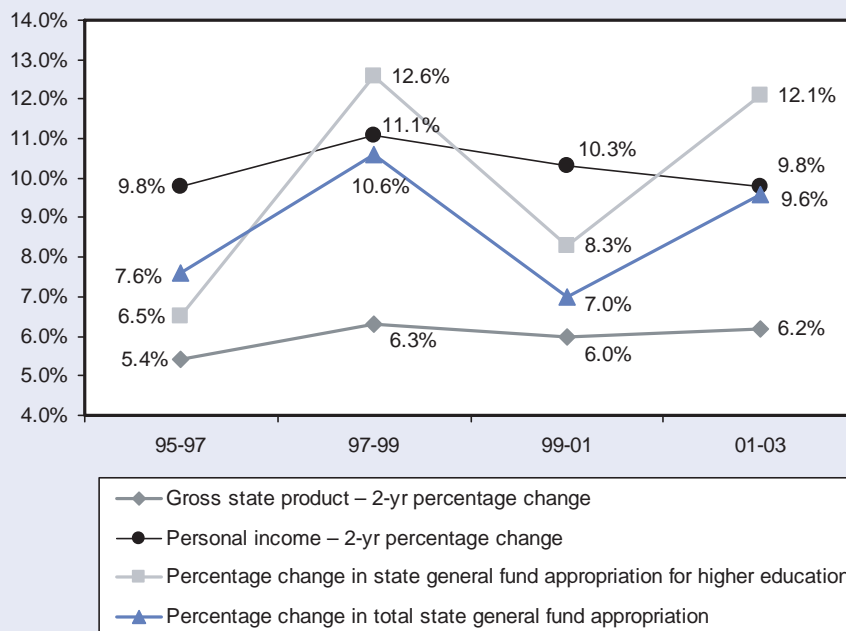
Changes in total state general fund appropriations and changes in state general fund appropriations for higher education appear to track closely to one another, while changes in gross state product and personal income are comparable and less volatile.

economy and are generally very good indicators of how the economy is doing. Economic changes from biennium to biennium are not as dramatic as are changes in appropriations. This is because changes in state general fund appropriations are the result of many other factors in addition to changes in the economy. For example, general fund appropriations fluctuate with needs, demands, available revenue, political realities,

perceptions and loss of federal funds. Each of these factors may or may not be related to economic changes.

Higher education has maintained about the same share of the state's total budget during the past five biennia, from 20.1 percent in 1993-95 to 21 percent in 2001-03. The trend continues with higher education holding 20.1 percent for 2003-05. Higher education's 2003-05 share of 20.1 percent includes a \$1.35 million state appropriation to the State Board for Career and Technical Education for workforce training.

Change in State Appropriation Compared to Changes in State Economy 1995-97 through 2001-2003



Per Capita General Fund Appropriations for Higher Education

Accountability Measure 4.e.

Per capita general fund appropriations for higher education

About This Measure

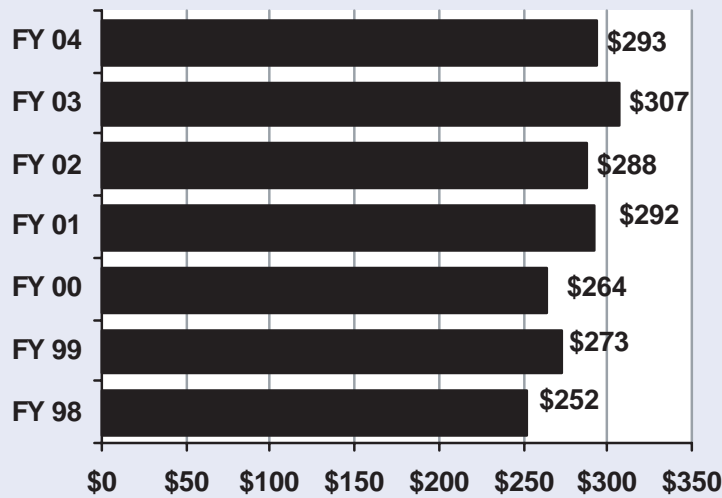
This measure demonstrates whether the state, on an individual per-capita basis, is providing an increasing or decreasing amount of funding to the campuses over time.

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

In FY 2004, per-capita state general fund revenue for higher education was \$293.

The average per-capita state general fund appropriation for FY 2004 was \$293. These funds are appropriated by the legislature for the general operation of the campuses and related entities.

Per-Capita State General Fund Appropriations for Higher Education^{1,2}
FY 1998 through FY 2004



¹ Includes NDSU and UND-related entities, such as extension service, research centers and the medical school.

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

Data Source: FY 2004 NDUS financial statements; Population Estimates Program, Population Division, US Census Bureau; and US Census Bureau, Census 2000 Redistricting Data.

State General Fund Appropriations and Total Fund Revenues

Accountability Measure 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 on a per-student basis are increasing or decreasing. The measure also shows whether the state is contributing a larger or smaller proportion of the total cost over time.

The measure is presented in two ways. The first calculation includes unrestricted revenues and state general fund appropriations only. The second calculation includes unrestricted and restricted revenues and state general fund appropriations. The second calculation includes

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

In FY 2001, general fund appropriations provided 37 percent of the total NDUS revenues. Decreases in state funding and increases in tuition and fees and grant and contract awards have reduced the general fund share to 28 percent in FY 2004.

revenues that are restricted in use by the grant, donor or other source.

Revenues are used as the basis for this measure since expenditure data by revenue source is not available as part of the audited annual financial statements.

During FY 2004, the total of the combined unrestricted and restricted revenues and general

fund appropriations was \$19,056 per Full Time Equivalent (FTE) student (calculation #2). State general funds make up about 28 percent of the total NDUS revenues. The remaining 72 percent is generated by the campuses through tuition and fees, grants and contracts, auxiliary revenue, educational sales and services, investment income, gifts and federal appropriations.

During FY 2004, the state general fund appropriation per FTE student was \$5,339. The total combined unrestricted revenues and general fund appropriations per FTE student (calculation #1) were \$13,262.

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

	FY 2004		Per FTE
	Revenues ¹ (millions)	%	
Calculation #1			
Unrestricted ²	\$275,873	60%	
State general fund appropriations	<u>185,917</u>	<u>40%</u>	<u>\$5,339</u>
Total	\$461,790	100%	\$13,262
Calculation #2			
Unrestricted & Restricted ³	\$477,639	72%	
State general fund appropriations	<u>185,917</u>	<u>28%</u>	<u>\$5,339</u>
Total	\$663,556	100%	\$19,056
FTE Students		34,821	

¹ Includes revenues for NDSU and UND-related entities, such as the extension service, research centers and the medical school.

² Unrestricted revenues = student tuition and fees, auxiliary enterprises, educational sales and services, other operating revenues and investment income.

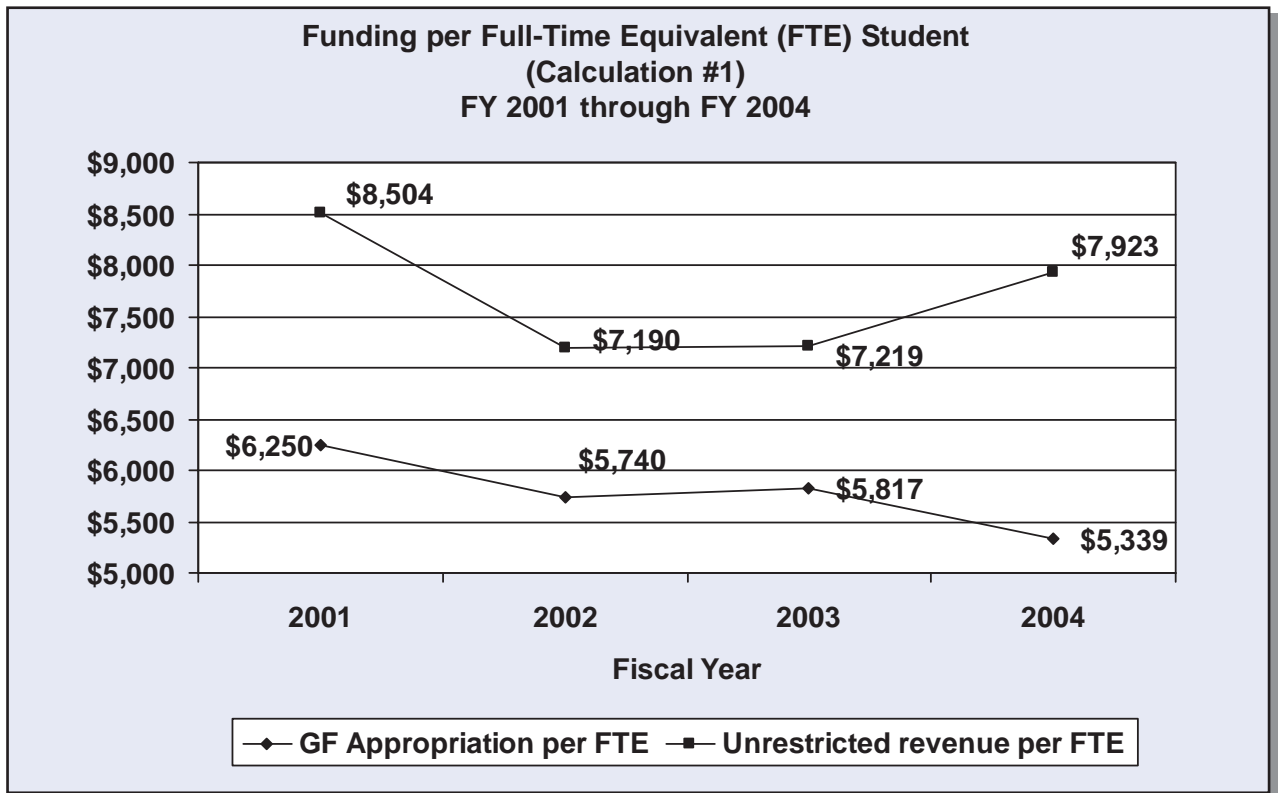
³ Restricted revenues = grants and contracts, gifts and federal appropriations restricted in use.

Data Source: FY 2004 NDUS audited financial statements and 2003-04 annualized enrollment schedule.

State general funds make up about 40 percent of the total unrestricted fund revenues for the NDUS. The remaining 60 percent is generated by the campuses through tuition and fees, auxiliary revenue, educational sales and services, and investment income.

As a result, the general fund appropriation per FTE student has fallen from \$6,250 in FY 2001 to \$5,339 in FY 2004, a decrease of 14.6 percent. Significant increases in tuition and fees have been needed to offset declining general fund appropriations.

Since 2001, FTE students have increased 16 percent while state general fund appropriations to the campuses have decreased .8 percent.



Administrative, Instructional and Other Costs Per FTE Student

Accountability Measure 4.d.

Administrative, instructional and other costs per student

About This Measure

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

- Core services: instruction, research and public service
- Support services and student aid: academic support, student services, and scholarships and fellowships
- Administration and physical plant: institutional support and operations and maintenance of the physical plant, excluding depreciation expense

In FY 2004, the average total cost per FTE student was \$15,274, of which 67 percent is dedicated to core services. Over the last two years, the total cost per FTE has increased 3 percent, while the

How much does the NDUS spend annually per student?

In FY 2004, the NDUS spent a total of \$15,274 per student from all funding sources, the majority of which was spent in support of its core services of instruction, research and public service.

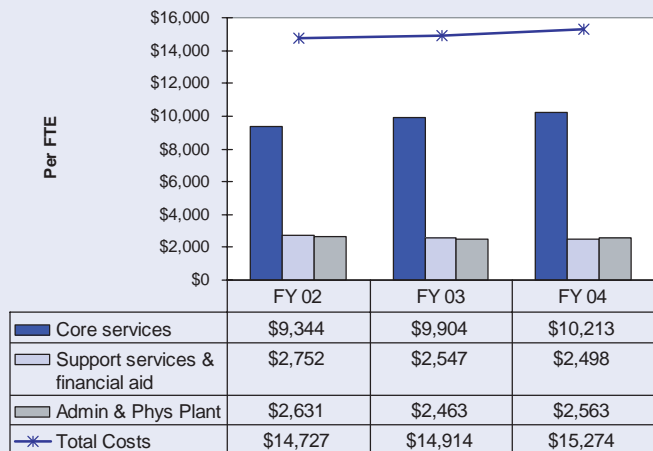
core services costs per FTE have risen 9 percent. As FTE enrollment has increased (9 percent since 2002), additional instructional costs are immediately incurred to provide services to the additional students.

During this same time, combined support services, administration and physical plant costs per FTE dropped 6 percent.

Long-term trend analysis will be important in analyzing this measure. Because changes in financial statement presentation were put into place in FY 2002, data from that year provides the baseline for trend development.

Administrative, Instructional and Other Costs Per FTE Student¹

	FY 2004	
	Expenditures (millions)	Per FTE
Core Services:		
Instruction	\$212,929	
Research	101,690	
Public service	41,011	
	<u>\$355,630</u>	\$10,213
Support Services and Student Aid:		
Academic support	\$44,126	
Student services	28,493	
Scholarships & fellowships	14,362	
	<u>\$86,981</u>	\$2,498
Administration and Physical Plant:		
Institutional support	\$46,517	
Operation and Maintenance of Plant	42,729	
	<u>\$89,246</u>	\$2,563
Total Average Cost per Student		\$15,274
FTE Students	34,821	



¹ Includes related entities for NDSU and UND, such as the extension service, research centers and the medical school.

Data Source: FY 2004 NDUS audited financial statements and 2003-04 annualized enrollment schedule.

Percentage of NDUS Funding Used for Core Services

Accountability Measure 5.a.

Percentage of total University System funding used for instruction, research and public service

About This Measure

This measure analyzes whether resources used to support core services are consuming an increasing or decreasing share of total institutional resources. Core services include expenses for instruction, research and public service; these costs are linked directly to the core mission of the campuses.

In FY 2004, the NDUS spent 60.2 percent of its total combined revenues and state appropriations (excluding auxiliary revenues) on instruction, research and public service.

While core services expenditures have remained stable at about 60 percent of total resources,

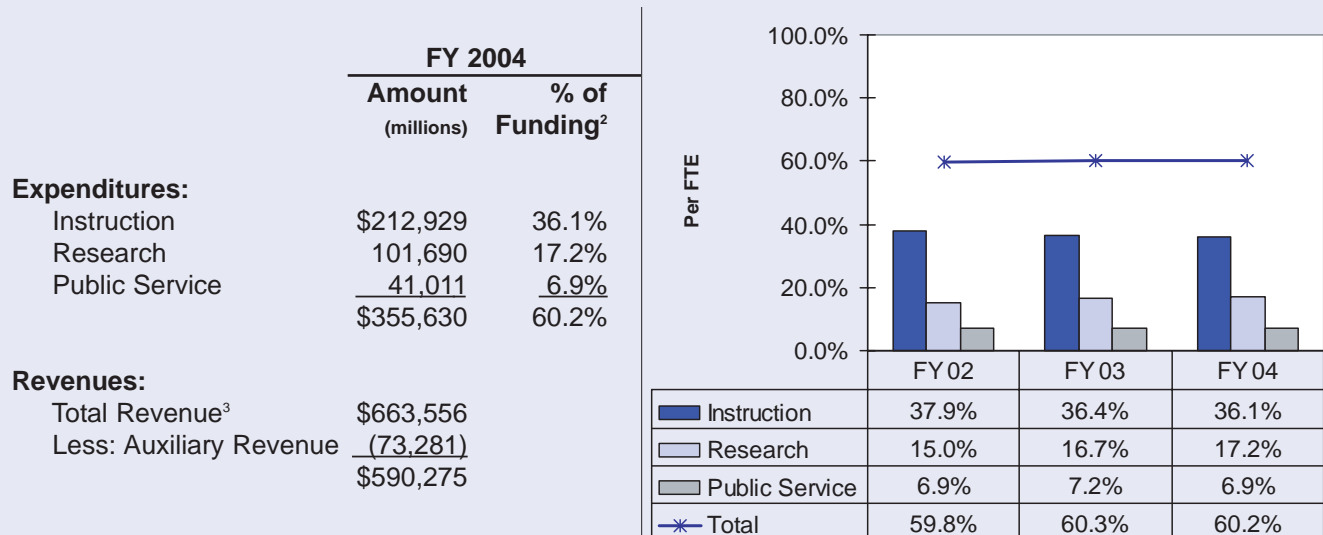
What percentage of higher education resources is dedicated to its core services?

In FY 2004, the NDUS spent 60.2 percent of its total combined revenues and state appropriations on instruction, research and public service.

components within core services have shifted some since FY 2002. Research has increased from 15 percent to 17.2 percent as the result of an increase in grant and contract awards.

The value of this measure will be in evaluating long-term trends, which will reflect shifts in institutional spending over time. Because changes in financial statement presentation were put into place in FY 2002, data from that year provides the baseline for trend development.

Percentage of Total NDUS Funding Used for Core Services¹



¹ Includes NDSU and UND-related entities, such as extension service, research centers and the medical school.

² Expenditures ÷ total revenue less auxiliary revenue.

³ Total revenues from calculation #2 of Measure 4.c.

Data Source: FY 2004 NDUS audited financial statements.

Percentage of NDUS Funding for Support Services and Student Aid

Accountability Measure 6.e.

Percentage of total University System funding used for academic support, student services, and scholarships and fellowships

About This Measure

This measure analyzes whether resources used for support services and aid to students are consuming an increasing or decreasing share of total institutional resources. Support services include academic support and student services, which also support the mission of the institution. Aid to students includes scholarships and fellowships.

In FY 2004, the NDUS spent 14.7 percent of its total combined revenues and state appropriations (excluding auxiliary revenues) on academic support, student services, and scholarships and fellowships, compared to 17.6 percent in FY 2002. Although there appears to be a significant decline

What percentage of higher education resources is dedicated to support services and aid to students?

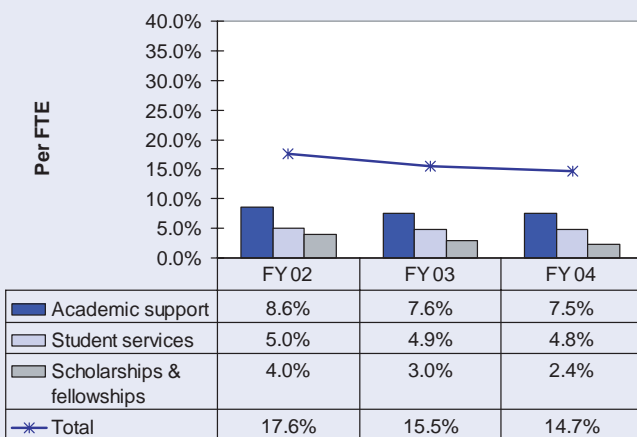
In FY 2004, the NDUS spent 14.7 percent of its total combined revenues and state appropriations on academic support, student services, and scholarships and fellowships.

in funding for scholarships and fellowships, actual awards to students have increased. What appears to be a funding decrease is actually a change in financial statement presentation by the Governmental Accounting Standards Board (GASB). This change has been phased in over the past three fiscal years.

The value of this measure will be in evaluating long-term trends that reflect shifts in institutional spending over time. Because changes in financial statement presentation were put into place in FY 2002, data from that year provides the baseline for trend development.

Percentage of Total NDUS Funding Used For Support Services and Student Aid¹

	FY 2004	
	Amount (millions)	% of Funding ²
Expenditures:		
Academic support	\$44,126	7.5%
Student services	28,493	4.8%
Scholarships & fellowships	14,362	2.4%
	<u>\$86,981</u>	<u>14.7%</u>
Revenues:		
Total Revenue ³	\$663,556	
Less: Auxiliary Revenue	(73,281)	
	<u>\$590,275</u>	



¹ Includes NDSU and UND-related entities, such as extension service, research centers and the medical school.

² Expenditures ÷ total revenue less auxiliary revenue.

³ Total revenue from calculation #2 of Measure 4.c.

Data Source: FY 2004 NDUS audited financial statements.

Percentage of NDUS Funding Used for Administration and Physical Plant

Accountability Measure 5.b.

Percentage of total University System funding used for institutional support and operation and maintenance of physical plants

About This Measure

This measure analyzes whether resources used for administration and physical plant expenses are consuming an increasing or decreasing share of total institutional resources. This category includes institutional support and operations and maintenance of the physical plants. Institutional support is made up of the 11 campus administrative units and includes, for example, the president’s office, the business office and the budget and accounting offices on each campus. Physical plant costs include all staffing and operating expenses related to operation of the physical plants.

In FY 2004, the NDUS spent 15.1 percent of its total combined revenues and state appropriations

What proportion of higher education resources are dedicated to administration and physical plants?

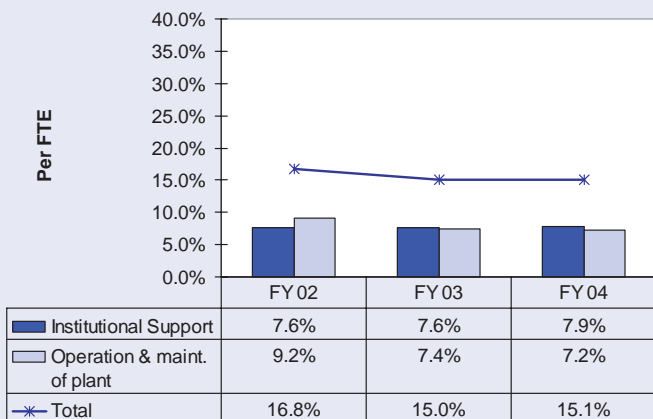
In FY 2004, the NDUS spent 15.1 percent of its total combined revenues and state appropriations on institutional support and operations and maintenance of the physical plants.

(excluding auxiliary revenues) on institutional support and operations and maintenance of the physical plants, down from 16.8 percent in FY 2002, at the same time student FTE enrollment increased 9 percent.

The value of this measure will be in evaluating long-term trends that will reflect shifts in institutional spending over time. Because changes in financial statement presentation were put into place in FY 2002, data from that year provides the baseline for trend development.

Percentage of Total NDUS Funding Used For Administration and Physical Plant¹

	FY 2004	
	Amount (millions)	% of Funding ²
Expenditures:		
Institutional support	\$46,517	7.9%
Operation & maintenance of physical plant	<u>42,729</u>	<u>7.2%</u>
	\$89,246	15.1%
Revenues:		
Total Revenue ³	\$663,556	
Less: Auxiliary Revenue	<u>(73,281)</u>	
	\$590,275	



¹ Includes NDSU and UND-related entities, such as extension service, research centers and the medical school.

² Expenditures ÷ total revenue less auxiliary revenue.

³ Total revenue from calculation #2 of Measure 4.c.

Data Source: FY 2004 NDUS audited financial statements.

Expendable Net Assets Compared to Long-Term Debt

Accountability Measure 5.e.

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 has a favorable expendable net assets to long-term debt ratio of 1.1:1 as of the end of FY 2004.

About This Measure

This ratio measures the availability of expendable net assets to cover debts should the NDUS need to immediately settle its obligations. 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.) A ratio of 1:1 or greater indicates that expendable net assets are sufficient to satisfy debt obligations.

For FY 2004, the NDUS had a favorable ratio of 1.1:1.

FY 2004 Ratio Expendable Net Assets Compared to Long-Term Debt¹

Expendable Net Assets:

Unrestricted net assets	\$117,170,219
Expendable net assets	<u>67,919,059</u>
	\$185,089,278

Notes, bonds, leases and special assessments payable

\$167,662,463
<u>\$185,089,278</u>
\$167,662,463 = 1.1:1

¹ Includes NDSU and UND-related entities such as extension service, research centers and the medical school.

Data Source: FY 2004 NDUS audited financial statements.

Outstanding Maintenance Compared to Expendable Net Assets

Accountability Measure 5.d.

Ratio measuring the size of the University System’s outstanding maintenance as compared to its expendable net assets

About This Measure

This ratio shows whether or not the NDUS has sufficient expendable net assets to fund outstanding deferred maintenance needs from its own operations.

For FY 2004, the NDUS had an average ratio of 0.60:1. A ratio of 1:1 or greater is an indication that the NDUS would have insufficient expendable net assets to cover outstanding deferred maintenance needs and that additional financing must be considered.

Expendable assets are those that the NDUS can quickly access and spend.

Is the NDUS able to fund outstanding deferred maintenance needs?

The NDUS has a favorable average deferred maintenance ratio of 0.60:1, which means the NDUS would be able to fund total outstanding deferred maintenance needs with total current expendable net assets and have funds remaining for other purposes.

Although the NDUS continues to have a favorable deferred maintenance ratio, it is highly unlikely it would liquidate its net assets to address deferred maintenance needs. As a result, the NDUS has a significant and growing deferred maintenance backlog estimated at more than \$111 million. This is an increase of \$30 million over the previous fiscal year.

FY 2004 Outstanding Deferred Maintenance Ratio¹

Expendable Net Assets:		
Unrestricted net assets	\$117,170,219	
Expendable net assets	<u>67,919,059</u>	
	\$185,089,278	
Outstanding Deferred Maintenance	\$111,236,938	
	<u>\$111,236,938</u>	
	\$185,089,278	= 0.60:1

¹ Includes NDSU and UND-related entities such as extension service, research centers and the medical school.

Data Source: FY 2004 NDUS audited financial statements and 2004 campus master plans.

Financing of New Construction and Major Renovation Projects

Accountability Measure 5.g.

Report on new construction and major renovation capital projects for which specific appropriations are made, including budget-to-actual comparison, use of third-party funding and related debt

Are major capital projects completed within budget?

Of the major capital projects specifically appropriated during the 2003-05 biennium, one exceeds the project budget.

About This Measure

All remaining 2001-03 legislatively authorized projects completed in FY 2004 were completed within project budgets and deadlines.

The remaining 2001-03 projects not completed as of June 30, 2004, are within budget at the current time.

2001-03 Legislatively Appropriated Major Capital Project Tracking Report Update on Projects Not Completed at the End of 2001-03 Biennium Budget-to-Actual as of the End of FY 2004

	2001-03 Adjusted Authorization					Actual expenditures through June 30, 2004				
	GF	OE	S. Bonds	R. Bonds	Total	GF	OE	S. Bonds	R. Bonds	Total
LRSC:										
*Welcome center project		375,000			375,000		370,213			370,213
MaSU:										
*Steamline replacement	510,000				510,000	510,000				510,000
MISU:										
*Old Main renovation	54,452	3,444,548	5,551,000		9,050,000	54,452	3,282,217	5,551,000		8,887,669
NDSU:										
*Residence hall - Living/Learning Center				8,000,000	8,000,000				7,969,669	7,969,669
*Minard Hall renovation/addition				3,400,000	3,400,000				3,196,469	3,196,469
College of Business office/classroom bldg		20,000,000			20,000,000		134,332			134,332
UND:										
Memorial Student Union renovation				3,500,000	3,500,000				3,382,416	3,382,416
Smith, Johnston, Fulton Hall renovation		2,650,000			2,650,000	1,876,753				1,876,753
Energy improvement program			3,990,785		3,990,785			2,813,151		2,813,151
Wilkerson loading dock		1,700,000			1,700,000					-
WSC:										
Health/sport complex (1999-01 project)		4,250,000	1,500,000		5,750,000	4,112,485		1,500,000		5,612,485
Langdon Research Extension Center:										
Headquarters/conference center	300,000	510,000			810,000	300,000	437,302			737,302

GF = state general fund; OE = other funds, local (e.g. tuition, gifts, grants and contracts); S. Bonds = state bonds, debt repaid from state general funds; R. Bonds = revenue bonds, debt repaid through campus revenues
* Project completed

The table below provides information about major capital projects specifically appropriated in the 2003-05 biennium. As of the end of FY 2004, the steamline replacement project at MaSU was the only project to exceed budget. This project

exceeds the state bonding appropriation by \$47,939. The cost overage will be covered through the campus general fund capital appropriation. All remaining projects are within budget.

2003-05 Legislatively Appropriated Major Capital Project Tracking Budget-to-Actual as of the End of FY 2004

	2003-05 Adjusted Authorization					Actual expenditures through June 30, 2004				
	GF	OF	S. Bonds	R. Bonds	Total	GF	OF	S. Bonds	R. Bonds	Total
BSC:										
Student apartments				1,785,000	1,785,000					-
LRSC:										
North Hall resident hall renovation				375,000	375,000					-
UND:										
Carnegie Library renovation		3,300,000			3,300,000					-
Squires Dining Center remodel		1,500,000			1,500,000					-
Med School Neuroscience Research-Phase II		17,000,000			17,000,000					-
Native American Center		4,000,000			4,000,000	46,308				46,308
Athletic Complex/Wellness Center				21,000,000	21,000,000				766,625	766,625
Airline security building		5,000,000			5,000,000					-
Airport hangar				2,000,000	2,000,000					-
NDSU:										
Bison Sports Arena renovation		15,000,000			15,000,000					-
Bison Court apartment building				11,000,000	11,000,000				611,540	611,540
NDSCS:										
Horton Hall remodeling		3,300,000			3,300,000					-
Blikre Activities Center addition		368,920			368,920					-
DSU:										
Murphy Hall addition - Phase I			5,882,047		5,882,047			1,549,929		1,549,929
Whitney Stadium renovation/addition		5,000,000			5,000,000		3,538	-		3,538
MaSU:										
Steamline replacement - Phase II			1,355,000		1,355,000	47,939		1,355,000		1,402,939
Fieldhouse renovation/addition		1,000,000		3,000,000	4,000,000				2,035,556	2,035,556
East Hall remodel		150,000			150,000					-
MISU:										
VCSU:										
Graichen Gymnasium elevator/emergency exits			785,300		785,300			384,661		384,661
Kolstoe Hall renovation				3,300,000	3,300,000				1,918,612	1,918,612
MISU-Bottineau Campus:										
Thatcher Hall HVAC	113,706				113,706	54,003				54,003
Forest Service:										
Equip/supply storage bldg (Towner & Bottineau)		115,000			115,000		89,396			89,396
Main Station:										
Nestles Research Mill building		1,000,000			1,000,000					-
Pesticide handling facilities (2 sites)		120,000			120,000	40,504				40,504
Dickinson Research Extension Center:										
Headquarters office & multi-purpose room bldg		1,400,000			1,400,000					-

GF = state general fund; OF = other funds, local (e.g. tuition, gifts, grants and contracts); S. Bonds = state bonds, debt repaid from state general funds; R. Bonds = revenue bonds, debt repaid through campus revenues

Operating and Contributed Income Ratio

Accountability Measure 5.c.

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

About This Measure

This measure analyzes the portion of the University System’s overall funding that is self-generated, either internally from fees for services or externally from grants and contributions. This total includes revenue sources that are restricted in use by the donor, grant or other source.

Operating income includes revenues generated by the campuses on a fee-for-service basis. Contributed income includes contributions received from alumni, corporations, foundations and others.

What percent of NDUS revenues are self-generated?

In FY 2004, the NDUS generated 72 percent of its total revenues, either internally from fees for services or externally from grants and contributions. The three-year trend indicates the campuses are generating an increasing share of total revenues.

Up from 68 percent in FY 2002, in FY 2004 the NDUS generated 72 percent of its total revenue from operating and contributed income sources. This increase demonstrates that the campuses are generating an increasing share of their 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

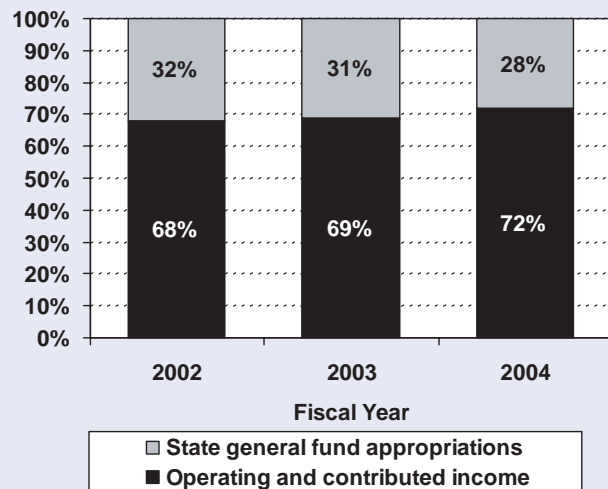
	FY 2004 (millions)
Self-generated revenues	
Tuition and fees	\$150,937
Federal appropriations	5,585
Federal grants and contracts	151,426
State grants and contracts	10,972
Private gifts, grants/contracts	33,783
Sales and services – Ed. Depts.	43,387
Investment and endowment income	6,979
Auxiliary enterprise	73,281
Other operating revenue	1,289
Total self-generated revenues	\$477,639
Total all revenues²	\$663,556
Operating and Contributed Income Ratio	$\frac{\$477,639}{\$663,556} = 72\%$

¹ Includes NDSU and UND-related entities, such as extension service, research centers and the medical school.

² Total revenues from calculation #2 of Measure 4.c.

Data Source: FY 2004 NDUS audited financial statements.

Funding Sources FY 2002 through FY 2004



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 2004 accomplishments follow.

Bismarck State College (BSC)

- BSC received two grants from the National Science Foundation in the spring of 2004 to support curriculum development in its energy technology programs. A grant of \$750,000 will help further develop online courses for the Nuclear Power Technology program, and another grant of \$70,500 will assist with development of a product to deliver laboratory experiences to online students.
- In March 2004, BSC received a national merit award for a 100 percent pass rate among graduates who took the national certification examination in surgical technology. This is the second consecutive year BSC students have met this standard of the Liaison Council on Certification for the Surgical Technologist.
- During 2004, BSC coordinated training for 2,358 people from 246 businesses in the Southwest Workforce Training Region. Of the businesses served, 98 percent reported that they were "satisfied" or "very satisfied" with the training and responsiveness of BSC. Forty businesses served in 2003 requested and received additional training.
- Through collaborative and cooperative programs with five other NDUS institutions, BSC helps provide accessible education for North Dakota citizens. In 2004, more than 400 students were enrolled in higher education classes on the BSC campus through these collaborative programs.
- BSC received a \$1.5 million grant from the U.S. Department of Commerce's Economic Development Administration for the college's Career & Technology Institute. Received in October 2004, the grant brings the college closer to its capital campaign goal of \$10 million for the institute.

Dickinson State University (DSU)

- DSU officials announced the ninth consecutive year of record-breaking enrollment following the release of official Fall 2004 enrollment numbers. The university now has reached an enrollment of 2,480 students. An increase in the popularity of extended campus programs in Bismarck and Dickinson was credited with helping to set the new record.
- DSU will partner with the University of Portland to provide a nationally acclaimed entrepreneurship program to students. The program stresses entrepreneurship across the curriculum and provides opportunities for students to learn business principles regardless of their majors. The program will build upon DSU's already strong foundation of promoting entrepreneurship in the region.
- DSU now is offering a bachelor of science in education with a major in elementary education in Bismarck via a cooperative agreement with Bismarck State College. The new program is added to the bachelor of university studies, bachelor of applied science in technology and accounting degree options already offered on the BSC campus.
- The DSU Foundation established several new benchmarks this past year, receiving in excess of \$2.1 million and recording a total income of \$2.8 million over the 2003-04 fiscal year. The university received \$2,113,447 in gifts last year, the first time the total has surpassed the \$2 million mark. That amount was achieved through the receipt of 5,108 gifts from 3,012 donors. The number of gifts also was the highest in foundation history.
- DSU and Nizhniy Novgorod State Agricultural Academy signed a faculty/student exchange and research agreement that enabled the university to position a homepage on the Russian national Web site to help attract

Russian students. Nine DSU students traveled to Russia last summer, and three Russian students enrolled in classes at DSU this past fall as a result of the agreement.

Lake Region State College (LRSC)

- A third consecutive summer police-training academy was conducted in Fargo, thanks to a partnership between LRSC and the Fargo Police Department. Since the partnership was formed in 2002, 66 police officers have graduated from the academy, and about one-third of those graduates are working as police officers in the Fargo area.
- LRSC and other colleges in the Dakota Nursing Program (BSC, MiSU-Bottineau and WSC) collaborated on development of a curriculum and the joint offering of a one-year practical nurse program (PN) beginning in Fall 2004 and an associate degree nursing program (two-year registered nurse) that will begin in Fall 2005. The North Dakota Board of Nursing approved the curricula for the programs earlier this year.
- This spring, LRSC celebrated its first student who completed a degree online. Abrunderlon Beary started at LRSC when her husband was stationed at Grand Forks Air Force Base, but his transfer to another base didn't stop her from completing a degree. This spring, Beary, her husband and mother flew to Devils Lake from Charleston, S.C., so she could walk across the stage and receive her diploma.
- LRSC and the Community College Foundation held a grand opening celebration for the Leever's Welcome Center April 21 to 24. The center is the first stop for most campus visitors and is the final chapter in the auditorium renovation initiative. The entire welcome center project was funded with private donations.

Mayville State University (MaSU)

- In the summer of 2004, MaSU became the first Tablet PC campus in the nation. This is one of the ways the university is enhancing learning experiences for students by providing opportunities to use cutting-edge technology. In addition, the campus now is wireless, which provides advantages for MaSU students, faculty and staff by making the latest technology more accessible and convenient. Access to the Internet and the campus network are available without having to plug into hard-wired, electrical connections.
- Addition of a wellness center, which is the second phase of the Lewy Lee Fieldhouse renovation and expansion project, was completed in November 2004. The project was funded through the joint efforts of Mayville and Portland, N.D., residents and MaSU students. On April 29, 2003, Mayville and Portland voters approved a 1 percent city sales tax by an overwhelming margin, and the MaSU Student Senate approved a \$100 per year student fee to be used toward the fieldhouse project and other facilities improvements. Renovation work on the Lewy Lee Fieldhouse was completed in 2003.
- Men's and women's soccer debuted as a new intercollegiate sport at MaSU in Fall 2004. This activity has brought a number of students from all over the world to the MaSU campus. Addition of the soccer program contributed to the university's second-highest enrollment of 904 in Fall 2004. MaSU has had a 21 percent increase in enrollment in the past two years.
- MaSU coordinates the activities of the Heart of the Valley Interactive Video Network Consortium, a collaboration made up of MaSU, 19 high schools and one vocational center. The consortium covers an eight-county area and more than 12,000 square miles. By using state-of-the-art telecommunications technology and a common schedule, students can enroll in classes offered by other schools. MaSU provides opportunities for high school students to take dual-credit classes in English and mathematics.
- MaSU will receive nearly \$1 million during the next five years through a National Institutes of Health (NIH) grant. MaSU is one of six NDUS institutions and one tribal college partnering in a \$16.3 million IDeA Network for Biomedical Research Excellence (INBRE) program aimed at making the state more competitive in attracting federal funds for biomedical research. MaSU's focus will be on biomedical applications of fluorescence spectroscopy. Laboratory space

has been renovated and updated, and full-time staff will work with students to provide research opportunities.

Minot State University (MiSU)

- David G. Fuller, Ph.D., became MiSU's eighth president July 1, 2004. The selection was based on Fuller's demonstrated abilities in leadership, strategic planning, and managing and supporting systemic change.
- MiSU's College of Business continued its pivotal role promoting economic development efforts in northwest North Dakota. In 2003-04, it partnered with the state Department of Commerce to convene the International Business Conference and with U.S. Sen. Byron Dorgan to offer the Summit on Value-added Agricultural Food Processing. In addition, the college hosted a federal procurement conference. All of these events were created to provide hands-on, practical experience and to help participants link with information sources and potential clients.
- Restoration of MiSU's historic performance hall was completed when the 1932 Kimball pipe organ was re-installed in October. Private funding of \$340,000 was raised to restore and enhance the instrument. MiSU will begin offering organ classes in Spring 2005. There is a shortage of trained organists throughout the country.
- MiSU continues to develop new academic programs based on the needs of its constituents. Programs added in 2003-04 include a bachelor of fine arts in art, a bachelor of science in virtual business, a master of science in information systems and minors in fraud examination and gender-women's studies.
- The Rural Crime and Justice Center at MiSU continues to develop programs that assist and train rural law enforcement agencies nationwide. This fall, \$1.75 million in federal funding was awarded to expand the Rural Methamphetamine Education Project and to launch the Mentor Communities Project. The focus of these programs is to inform the public

how methamphetamine use and production affects their communities and to help law enforcement create effective counter-measures.

Minot State University- Bottineau Campus (MiSU-BC)

- MiSU-Bottineau hosted a Turtle Mountain Birding Festival May 21 to 23. Bottineau is located in one of the best prairie and wetland birding regions in the Great Plains. Birders from Kansas, Minnesota, Oregon, Washington and North Dakota registered for the festival. This inaugural event fits with one of the college's objectives, which is to use the region's natural assets to stimulate economic development.
- MiSU-Bottineau added four majors to its online program inventory in Fall 2004. During the past two years, the campus worked to supplement face-to-face program delivery with distance delivery of the following programs: administrative assistant, accounting technology, reception services and urban forestry. Students now may earn degrees in these majors entirely online.
- In response to the need for high-level information technology skills, MiSU-Bottineau developed four new options in its Network Engineering Department, including network security, database technology, operating systems technology and computer systems technology.
- On June 1 and 2, MiSU-Bottineau held its first tech summit. Twenty-six students representing 11 high schools in Bottineau, Rolette, Ward, Barnes, Wells, Morton, Towner, Pierce and McHenry counties attended the two-day program. The college secured a grant that covered the cost of the event and provided each student a \$50 stipend.
- On September 25, the MiSU-Bottineau Foundation hosted its 21st annual EVERGREEN dinner/auction. A record 305 participants attended the event, and a record \$27,500 was raised. The dinner/auction has raised \$450,000 for academic scholarships in its 21-year history.

North Dakota State College of Science (NDSCS)

- NDSCS has been awarded a U.S. Department of Education grant worth an expected \$1.825 million over the next five years. The college will use the Strengthening Institutions Program grant to make five academic options available to students in remote areas through distance education delivery methods. Several pilot classes have been completed in architectural drafting and estimating, which is the first of the five academic options.
- NDSCS received \$200,000 in continued federal funding to train telepharmacy technicians and another new \$200,000 grant for the development of a nanoscience technician curriculum. The telepharmacy program, operated by the NDSU College of Pharmacy, helps meet pharmacy needs in North Dakota's smaller communities. The nanoscience concept ties NDSCS to another Red River Valley Research Corridor initiative.
- During FY 2004, the NDSCS College Outreach Division facilitated workforce training opportunities for 812 businesses in the state's southeastern region. This includes 3,741 individual enrollments, a 24.5 percent increase over the previous fiscal year. In addition, the Related Studies Program coordinated 1,658 course experiences for adult learners in North Dakota and 15 other states.
- The NDSCS Practical Nursing Department received a continued eight-year accreditation from the National League for Nursing Accrediting Commission. NLNAC evaluators found NDSCS's program in compliance with all seven of the organization's accreditation standards.
- The Higher Learning Commission accepted an NDSCS report on general education. Among their comments, reviewers pointed out an NDSCS philosophy that recognizes the importance of credit and non-credit experiences, minimum general education core requirements and a revised general education assessment plan that includes learning outcomes and methods of measuring them.

North Dakota State University (NDSU)

- As NDSU continues a dramatic period of growth, 2004 marked the first time the university exceeded \$100 million in research expenditures and saw its enrollment surpass 12,000 students.
- The innovative NDSU Downtown was dedicated September 17. The \$10 million, five-story facility houses the university's Visual Arts Department, major components of the Architecture and Landscape Architecture Department and the Tri-College University office. Formerly the Northern School Supply building, the structure includes studios, classrooms, a wood shop, digital media room, gallery and sculpture area.
- The NDSU Research and Technology Park's Research 2 building was dedicated October 23. The \$17 million facility includes sophisticated cleanroom research space and state-of-the-art research equipment and houses the Center for Nanoscale Science and Engineering (CNSE). The center engages in pioneering, interdisciplinary research and technology development on materials at the atomic-molecular level.
- The National Institutes of Health awarded a five-year, \$8.9 million grant to establish a Center for Biomedical Research Excellence (COBRE) for visual neuroscience at NDSU. Researchers will examine aspects of the neural mechanisms and functional significance of visual perception, cognition and action. Part of Minard Hall will be remodeled to accommodate two EEG laboratories to conduct electrical brain-imaging experiments.
- NDSU researchers work to protect the nation's food supply through a biosecurity, disease surveillance and food safety collaboration with DSU and research extension centers at Dickinson and Hettinger and as a partner institution in a \$15 million, three-year grant received by the University of Minnesota to become a U.S. Department of Homeland Security Center of Excellence.

University of North Dakota (UND)

- Overall enrollment at UND grew for the sixth straight year, reaching a record 13,187 in Fall 2004.
- Enrollment in the graduate school grew to 2,045, maintaining its rank as the second largest in the region of North Dakota, South Dakota, Minnesota and Montana. The number of students pursuing Ph.D. and Ed.D. degrees rose by 136 students to 516.
- The dollar value of new external grants rose for the seventh straight year to \$82.7 from \$71 million the previous year.
- Additional progress was made in improving faculty salaries. The gap between UND's average pay and the national average has been cut in half since 1998.
- The Higher Learning Commission of the North Central Association of Colleges and Schools renewed UND's accreditation for another 10 years.

Valley City State University (VCSU)

- VCSU professor and U.S. Army reservist Joan Aus created an opportunity for soldiers in North Dakota's 141st Engineer Combat Battalion to continue their education while serving in Kuwait and Iraq. The student-soldiers who enroll in Aus's classes earn college credit toward degrees they are pursuing at VCSU and other NDUS campuses.
- VCSU launched a nationally recognized online technology education program backed by \$150,000 in funding from the Valley City/Barnes County Development Corporation. Other VCSU online education initiatives launched during 2004 include professional communications, teaching English language learners and library media.
- VCSU was awarded a five-year, \$1.9 million grant by the National Institutes of Health as

part of the IDeA Network for Biomedical Research Excellence (INBRE) program that helps build research infrastructure and increase capacity to conduct biomedical and behavioral research. VCSU plans to use the funding for continued development of its health sciences research program.

- Final Fall 2004 enrollment figures show headcount enrollment increased 4 percent when compared to the previous year, and full-time equivalent (FTE) enrollment increased 9 percent. The increases are being attributed to flexible learning opportunities, personalized service to students and very high satisfaction levels.
- Eagle Creek Software Services, a national software services provider, agreed to establish a technology center in Valley City that is expected to house about 100 employees by the end of 2006. VCSU played a central role in this decision, reflecting its position of serving as an economic engine for the region.

Williston State College (WSC)

- WSC was one of 20 community colleges selected for the L-SITEs (Learning through Simulated Information Technology Enterprises) project. L-SITEs improves the technical and business skills of information technology and other students at community and technical colleges. It also helps hone "soft skills," such as communication and teamwork.
- WSC celebrated the grand opening of its new Health Science and Sports Complex January 14. More than 3,000 people attended the day's activities.
- WSC was selected to be a Cisco Blended Distant Learning Academy pilot. Beginning Fall 2004, WSC was one of 25 pilot academies in the world to offer Cisco Certified Network Associate (CCNA) training through a blended distance-learning model.

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No.	Pg.	Description	SB2003 or SBHE	Cornerstone Assigned	Year 1st Reported
1.a.	10	Student performance on nationally recognized exams in their fields compared to the national averages	SB2003	Education Excellence	2002
1.b.	12	First-time licensure pass rates compared to other states	SB2003	Education Excellence	2001
1.c.	15	<i>Alumni-reported</i> and student-reported satisfaction with preparation in selected major, acquisition of specific skills and technology knowledge and abilities	SB2003	Education Excellence	2003
1.c.	16	Alumni-reported and <i>student-reported</i> satisfaction with preparation in selected major, acquisition of specific skills, and technology knowledge and abilities	SB2003	Education Excellence	2003
1.d.	18	Employer-reported satisfaction with preparation of recently hired graduates	SB2003	Education Excellence	2004
1.e.	30	Biennial report on employee satisfaction relating to the University System and local institutions	SB2003	Flexible and Responsive System	2002
1.f.	9	Ratio of faculty and staff to students	SB2003	Education Excellence	2002
1.g.	14	Student graduation and retention rates	SB2003	Education Excellence	2003
2.a.	22	Enrollment in entrepreneurship courses and the number of graduates of entrepreneurship programs	SB2003	Education Excellence	2002
2.b.	21	Percentage of University System graduates obtaining employment appropriate to their education in the state	SB2003	Education Excellence	2002
2.c.	3	Number of businesses and employees in the region receiving training	SB2003	Economic Development Connection	2001
3.a.	42	Proportion of residents of the state who are within a 45-minute drive of a location at which they can receive educational programs from a provider	SB2003	Accessible System	2002
3.b.	37	Number and trends of enrollments in courses offered by non-traditional methods	SB2003	Accessible System	2001
4.a.	38	Tuition and fees on a per-student basis compared to the regional average	SB2003	Accessible System	2001
4.b.	39	Tuition and fees as a percentage of median North Dakota household income	SB2003	Accessible System	2001
4.c.	52	Cost per student in terms of general fund appropriations and total University System funding	SB2003	Funding and Rewards	2001
4.d.	54	Administrative, instructional, and other costs per student	SB2003	Funding and Rewards	2001
4.e.	51	Per capital general fund appropriations for higher education	SB2003	Funding and Rewards	2001
4.f.	48	State general fund appropriation levels for University System institutions compared to peer institutions' general fund appropriation levels	SB2003	Funding and Rewards	2002

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No.	Pg.	Description	SB2003 or SBHE	Cornerstone Assigned	Year 1st Reported
5.a.	55	Percentage of total University System funding used for instruction, research and public service	SB2003	Funding and Rewards	2001
5.b.	57	Percentage of total University System funding used for institutional support and operation and maintenance of physical plants	SB2003	Funding and Rewards	2001
5.c.	62	Ratio measuring the funding derived from operating and contributed income compared to total University System funding	SB2003	Funding and Rewards	2001
5.d.	59	Ratio measuring the size of the University System's outstanding maintenance as compared to its expendable net assets	SB2003	Funding and Rewards	2002
5.e.	58	Ratio measuring the amount of expendable net assets as compared to the amount of long-term debt	SB2003	Funding and Rewards	2001
5.f.	5	Research expenditures in proportion to the amount of revenue generated by research activity and funding received for research activity	SB2003	Economic Development Connection	2002
5.g.	60	Report on new construction and major renovation capital projects for which specific appropriations are made, including budget-to-actual comparison, use of third-party funding and related debt	SB2003	Funding and Rewards	2001
6.a.	45	Higher education financing – a status report on higher education financing as compared to the Long-Term Finance Plan	SBHE	Funding and Rewards	2002
6.b.	49	Incentive funding, including the allocation and use of incentive funding	SBHE	Funding and Rewards	2002
6.c.	50	State general fund appropriation levels and trends as compared to changes in the state's economy and total state general fund appropriations	SBHE	Funding and Rewards	2002
6.d.	23	Equipment expenditure ratio that measures total funds used for equipment replacement as compared to the total inventory value	SBHE	Education Excellence	2002
6.e.	56	Percentage of total University System funding used for academic support, student services, and scholarships and fellowships	SBHE	Funding and Rewards	2001
7.a.	4	Workforce training information, including levels of satisfaction with training events as reflected in information systematically gathered from employers and employees receiving training	SBHE	Economic Development Connection	2001
7.b.	40	Partnerships and joint ventures – levels and trends in partnerships and joint ventures between University System institutions	SBHE	Accessible System	2002
7.c.	20	Student goals – levels and trends in the number of students achieving goals – institution meeting the defined needs/goals as expressed by students	SBHE	Education Excellence	2003

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No.	Pg.	Description	SB2003 or SBHE	Cornerstone Assigned	Year 1st Reported
7.d.	36	Student enrollment information, including: <i>(a) total number and trends in full-time, part-time, degree-seeking and non-degree-seeking students being served</i>	SBHE	Accessible System	2001
7.d.	36	Student enrollment information, including: <i>(b) the number and trends of individuals, organizations and agencies served through non-credit activities</i>	SBHE	Accessible System	2002
7.e.	27	Client satisfaction – levels of satisfaction with responsiveness as reflected through responses to evaluations and surveys of clients: <i>(a) graduates and individuals completing programs</i>	SBHE	Flexible and Responsive System	2001
7.e.	28	Client satisfaction – levels of satisfaction with responsiveness as reflected through responses to evaluations and surveys of clients: <i>(b) employers</i>	SBHE	Flexible and Responsive System	2004
7.e.	29	Client satisfaction – levels of satisfaction with responsiveness as reflected through responses to evaluations and surveys of clients: <i>(c) companies and employees receiving training</i>	SBHE	Flexible and Responsive System	2001
7.f.	19	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	SB2003	Education Excellence	2003
7.g.	35	Student participation – levels and trends in rates of participation of (a) recent high school graduates and non-traditional students and (b) individuals pursuing graduate degrees	SBHE	Accessible System	2002