

University of North Dakota

Federal Impact Study



Prepared by the Office of
U.S. Senator Kent Conrad



*Cover: UND Students studying
Above: The O'Kelly Building at the College of Nursing*

An Open Letter from United States Senator Kent Conrad



Dear Friend:

North Dakota has a proud tradition of providing our young adults the opportunity to get a quality education at our public universities and colleges. Our state's higher education system is so good that neighboring states have taken to calling North Dakota the "brain belt," in an acknowledgement of the exceptional aptitude of our North Dakota graduates.

Our higher education system is something that all North Dakotans value – and not just for the excellent learning opportunities it offers. The campuses of our universities and colleges have become part of the fabric of our local communities, enriching the lives of all North Dakota families, whether they have a child enrolled or not. Our campuses provide good-paying jobs, they stimulate North Dakota's economy, and they are often the hosts of partnership efforts to address issues in our local communities and across our state.

But without federal support, our public education system would either shrink, or become so expensive that a college degree would be out of reach for a growing number of North Dakotans. This report, prepared by professional staff of the United States Senate, examines the impact of the federal budget on North Dakota's higher education system. Each campus report details the trends of federal investment in that institution, and focuses on examples of how federal investments in North Dakota's public colleges and universities have increased the quality of life for our North Dakota families.

It is important to examine the federal budget's impact on higher education in North Dakota. As our deficits widen and our national debt grows, there is increasing pressure to eliminate spending on domestic initiatives – including higher education. As a nation, we must decide what we value, and where we want our federal dollars invested.

I believe that you'll find this report eye-opening. It is clear that the federal budget has a crucial role in making higher education affordable to our families, drawing research to our North Dakota campuses, and keeping our colleges and universities vibrant centers for our local communities. Special thanks to UND's Dr. Peter Alfonso, Jim Petell and Dave Schmidt for their assistance in preparing this document.

Sincerely,

A handwritten signature in blue ink that reads "Kent Conrad". The signature is written in a cursive, flowing style.

KENT CONRAD
United States Senator

Findings

Institutions of higher education are vital to our society. Our colleges and universities prepare the workforce of tomorrow. They are on the cutting edge of research and development in biotechnology, agriculture production, health and medicine and other areas that will affect the well being of families. They also prepare the next generation of teachers. Our local community leaders often turn to institutions of higher education to act as catalysts for partnerships that can help solve problems and address challenges.

Our universities and colleges also serve North Dakota and our local communities as engines that drive economic activity and stimulate growth. As research grows, they are increasingly a source, both directly and indirectly, for better-paying jobs -- a trend that serves to increase the quality of life in North Dakota and in the communities that host our institutions of higher education.

University of North Dakota

Grand Forks, ND

Founded in 1883

Undergraduate student body: 10,710

Mission

The University of North Dakota, as a member of the North Dakota University System, serves the state, the country, and the world community through teaching, research, creative activities, and service. State-assisted, the University's work depends also on federal, private, and corporate sources. With other research universities, the University shares a distinctive responsibility for the discovery, development, preservation, and dissemination of knowledge. Through its sponsorship and encouragement of basic and applied research, scholarship, and creative endeavor, the University contributes to the public well-being.

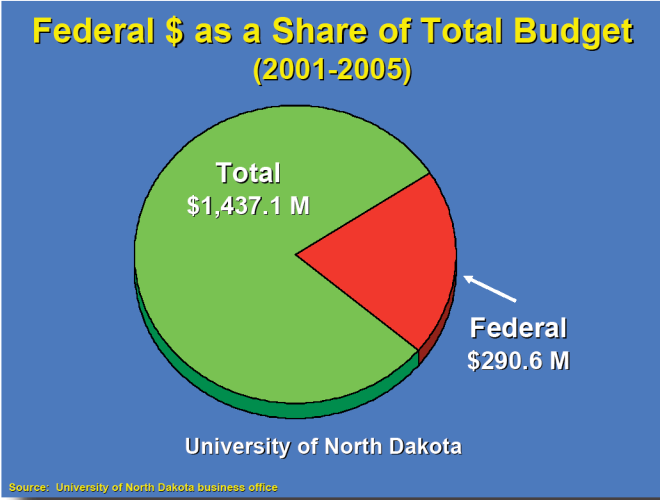
The University maintains its original mission in liberal arts, business, education, law, medicine, engineering and mines; and has also developed special missions in nursing, fine arts, aerospace, energy, human resources, and international studies. It provides a wide range of challenging academic programs for undergraduate, professional and graduate students through the doctoral level. The University encourages students to make informed choices, to communicate effectively, to be intellectually curious and creative, to commit themselves to lifelong learning and the service of others, and to share responsibility both for their own communities and for the world. The University promotes cultural diversity among its students, staff and faculty.

In addition to its on-campus instructional and research programs, the University of North Dakota separately and cooperatively provides extensive continuing education and public service programs for all areas of the state and region.

Federal Funding For The University of North Dakota

The federal government has become an increasingly important partner in supporting the mission of higher education in North Dakota and across the country. The University of North Dakota benefited from \$66 million in federal programs for student aid, grants, contracts and other support in 2005, or 19 percent of its total budget. From 2001 to 2005, the University received nearly \$290.6 million from federal programs, which was about 20 percent of its total budget.

Making sure that North Dakota’s colleges and universities are strong will help ensure we have the intellectual capital to address challenges facing our state, that we have a world-class workforce, and that our young people can envision a secure and prosperous future for themselves in North Dakota.



“From 2001 to 2005, the University received nearly \$290.6 million from federal programs, which was about 20 percent of its total budget.”



UND Students on the Mall

How Federal Funds Are Used

Student Aid

Many families and students recognize that continuing on with education after high school is important for financial security. But they are also concerned about the rising cost of higher education.

Tuition and fees at a four-year public college or university average \$5,491 in the current school year. That's up 7.1 percent from last year. The average tuition and fees at a two-year public college is \$2,191 or 5.4 percent above last year. Adding in the cost of room and board, the average cost of attending a four-year public college or university in the US has reached \$12,127. [College Board, *Trends in College Pricing 2005*]

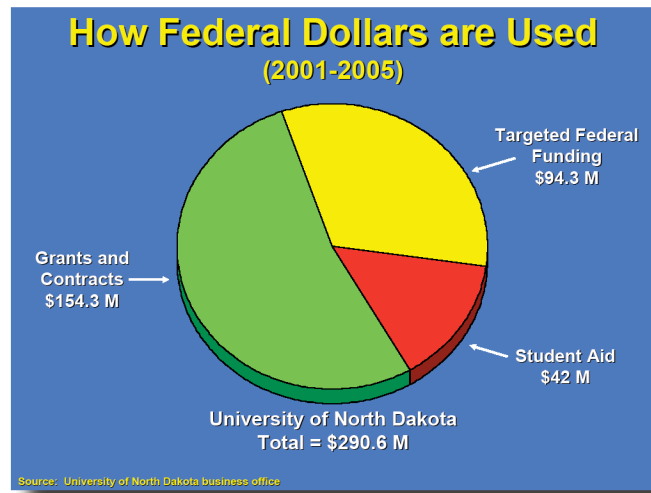
Tuition and fees in North Dakota are below the national average at \$4,790, but those costs increased 10 percent over the previous school year. [College Board, *Trends in College Pricing 2005*]

Financial aid is increasingly important to make sure that qualified students have the opportunity to go to college and complete their programs of study. Today, 62 percent of full-time undergraduates receive student aid. [College Board, *Trends in College Pricing 2005*]

The burden on families has grown in recent years as the cost of higher education has gone up. On average, grants and tax credits from all sources currently cover 60 percent of tuition and fees, and 27 percent of the tuition, fees, and room and board for full-time undergraduates at 4-year public institutions. However, the net cost to students and their families has grown 17 percent since the 2001-2002 school year. [College Board, *Trends in College Pricing 2005*] Our entire state is affected when a higher education becomes unaffordable for too many students.

The federal government is the largest source of student aid. Pell grants are the foundation of the federal student aid program, although the maximum Pell grant currently covers only 33 percent of the cost of a four-year public institution, down from 42 percent in the 2001-2002 school year.

North Dakota students are projected to receive \$37 million in assistance through the federal Pell grant program in the 2005-2006 school year. [U.S. Department of Education] Students at the University of North Dakota benefited from \$8.7 million in federal student aid programs, including \$6.2 million in Pell grants in 2004-2005.



The federal government also provides support to students in ways that are not reflected in this report. Nearly half of student aid now comes through federal loan programs. Students in North Dakota took out \$174.1 million in loans through the Federal Family Education Loan (FFEL) program. [U.S. Department of Education] Many students and their families also take advantage of tax provisions such as interest deductibility and tax credits to reduce the cost of going to college. Nationwide, nine percent of all federal aid to undergraduate and graduate students was made through the federal tax code. [The College Board, *Trends in Student Aid 2005*]

Grants and Contracts

The federal government is also a major source of grants and contracts for basic research, product development, and other campus-based projects. More than half of all basic research in the United States is conducted at research universities. The federal government supports about 60 percent of research conducted at universities. [Association of American Universities, 2004]

Federal grant and contract support at the University of North Dakota has increased from \$38.1 million in the 2001-2002 school year to \$57.2 million in the 2004-2005 school year. The 2005 funding includes nearly \$23.9 million obtained directly by the North Dakota Congressional delegation for specific projects at UND.



Biomedical Researchers at UND

Case Study: Making a World of Difference – Federal Partnership With EERC

Fewer entities have made better use of federal funds than the University of North Dakota's Energy and Environmental Research Center (EERC). Critical research projects at the EERC have been supported with more than \$50 million in targeted funding secured by the congressional delegation since 2001 through the U.S. Department of Agriculture, Department of Energy, and the Environmental Protection Agency. Led by its Director, Dr. Gerald Groenewold, the EERC has utilized this funding to improve water and air quality, expand the use of biomass and alternative fuels, study innovative flood control options, research clean coal to decrease pollution emissions from power plants, develop hydrogen fuel cells, and expose possible links between pesticides and neurological diseases. [FY 2001-2006]

Case Study: Center for Rural Health

A key component of the School of Medicine is the Center for Rural Health – where public policy intersects with everyday health care practitioners in a constant search for improved rural health care. The Center has a specific focus on the health needs of the nation's rural elderly and special needs populations. Major health issues, associated with a rapidly increasing population of elderly and a dramatic incidence of illness and disease, are dramatically increasing the demands on our nation's rural health care network. The elderly and other vulnerable populations are disproportionate sufferers of malnutrition, depression, accidents, alcoholism, diabetes and neurological diseases and disorders including Parkinson's disease and Alzheimer's disease. With more than \$5 million in federal funding, the Center has worked to treat, research and help efforts to prevent these afflictions upon our rural elderly. [FY 2002-2005 Labor-HHS-ED Appropriations bill]

“Federal support for the University of North Dakota School of Medicine and Health Sciences is critical to our mission of teaching, research and service.”

— H. David Wilson M.D.

Dean and Vice President for Health Affairs at the University of North Dakota
School of Medicine and Health Sciences

Case Study: Soaring Above All Others

One of the centerpieces of the UND Aerospace School is its Air Battle Captain program. The program trains helicopter pilots for the Reserve Officer Training Corps. Since the program's inception in the early 1980s, more than 167 cadets have been trained. Nearly \$8 million in federal funding has been provided since 2002 to support this quality flight training program. [FY 2002-2006 Defense Appropriations bill]



An aviation student performs a preflight check

Conclusion: Federal Funds are Crucial to Our Universities and Colleges

The federal government supports our public higher education institutions in a variety of forms – such as research grants, program funding or tuition assistance for students. What is clear from this report, however, is that no matter what the form of the federal investment, the federal government is crucial to supporting our public universities and colleges.

In fact, the federal share of public support for our higher education institutions is one of the single greatest sources of funds for North Dakota's public universities and colleges.

This is important because, as our federal deficits widen and the federal government becomes mired in deeper debt, there is increasing pressure to reduce federal spending for higher education. We must decide whether reducing federal spending for higher education is in the best interests of North Dakota, its local communities and its families.

Clearly, holding out the opportunity for an affordable, quality college education is something that we value. And North Dakota's universities and colleges have become important centers for research in areas that are providing great strides in the growth of our state's economy.

Federal support for North Dakota's higher education system has provided a great return on the investment, from the well-prepared graduates entering the job market from our schools, to the cutting-edge laboratories breaking new ground in commercial and scientific research. Federal investment in North Dakota's public colleges and universities should continue, in order to maintain the trend of quality graduates, research and community leadership.

“The federal share of public support for our higher education institutions is one of the single greatest sources of funds for North Dakota's public universities and colleges.”

U.S. Senator Kent Conrad
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