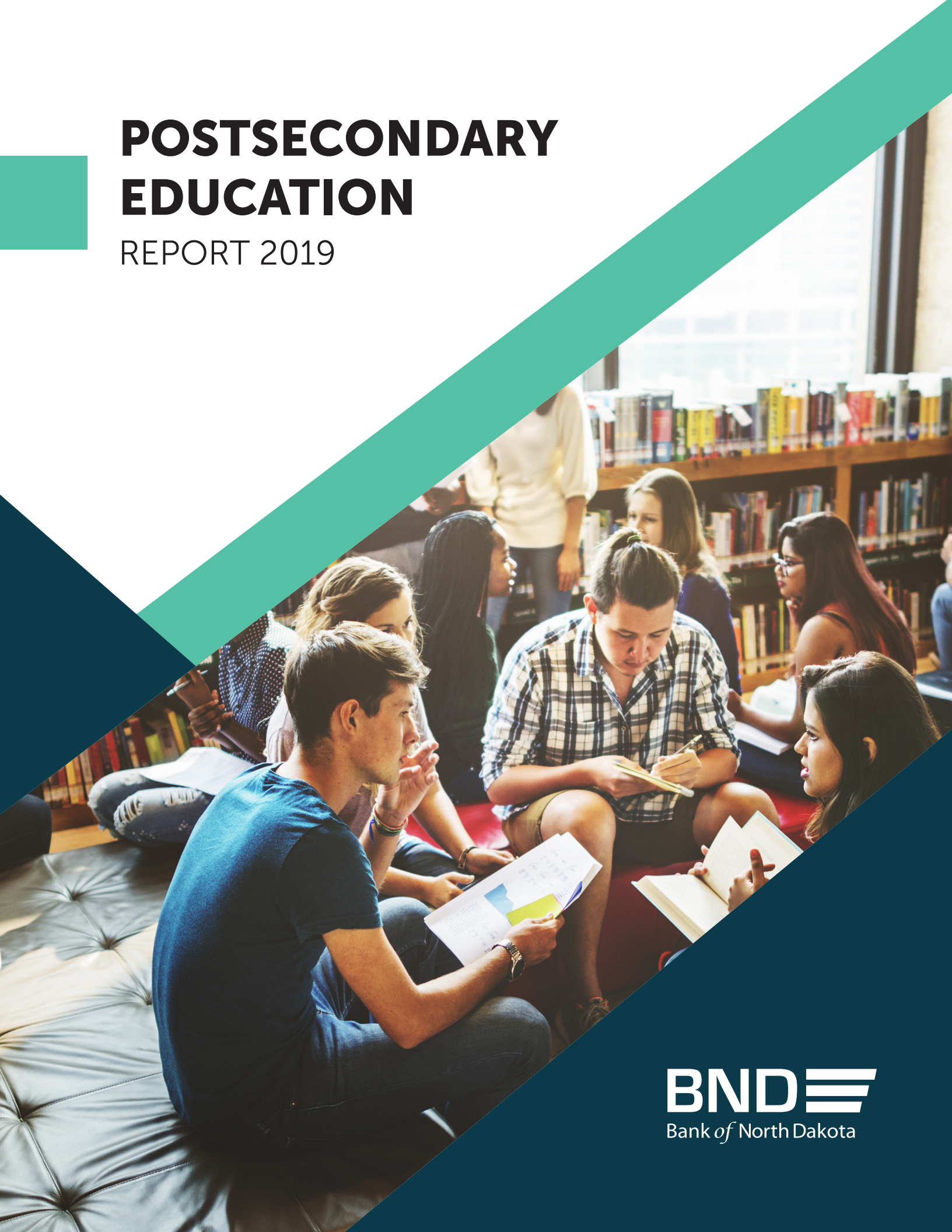


# POSTSECONDARY EDUCATION

REPORT 2019



# President's Letter

With today's changing workforce needs, it is imperative that we ensure North Dakotans understand the wide variety of career opportunities available. Bank of North Dakota (BND) has been involved with financing the student loan needs of residents for more than 50 years.



More recently, we are helping North Dakota residents plan for college and are expanding the conversation to have the partners and programs in place to address optional paths one can take to become employed.

The North Dakota Legislature is a critical partner. During the 2019 legislative session, several key pieces of legislation were passed to help us address workforce needs.

House Bill (HB) 1092 allowed us to be more agile to support financing for all education needs that can include certificate and apprenticeship programs. It is expected the first of these programs will be approved for funding in 2020.

HB 1171 transferred \$6 million of BND capital to the Skilled Workforce Program administered by the State Board of Higher Education which includes \$3 million for the scholarship fund and \$3 million for

a student loan repayment program. BND has also worked closely with North Dakota University System to implement ND Career Builders.

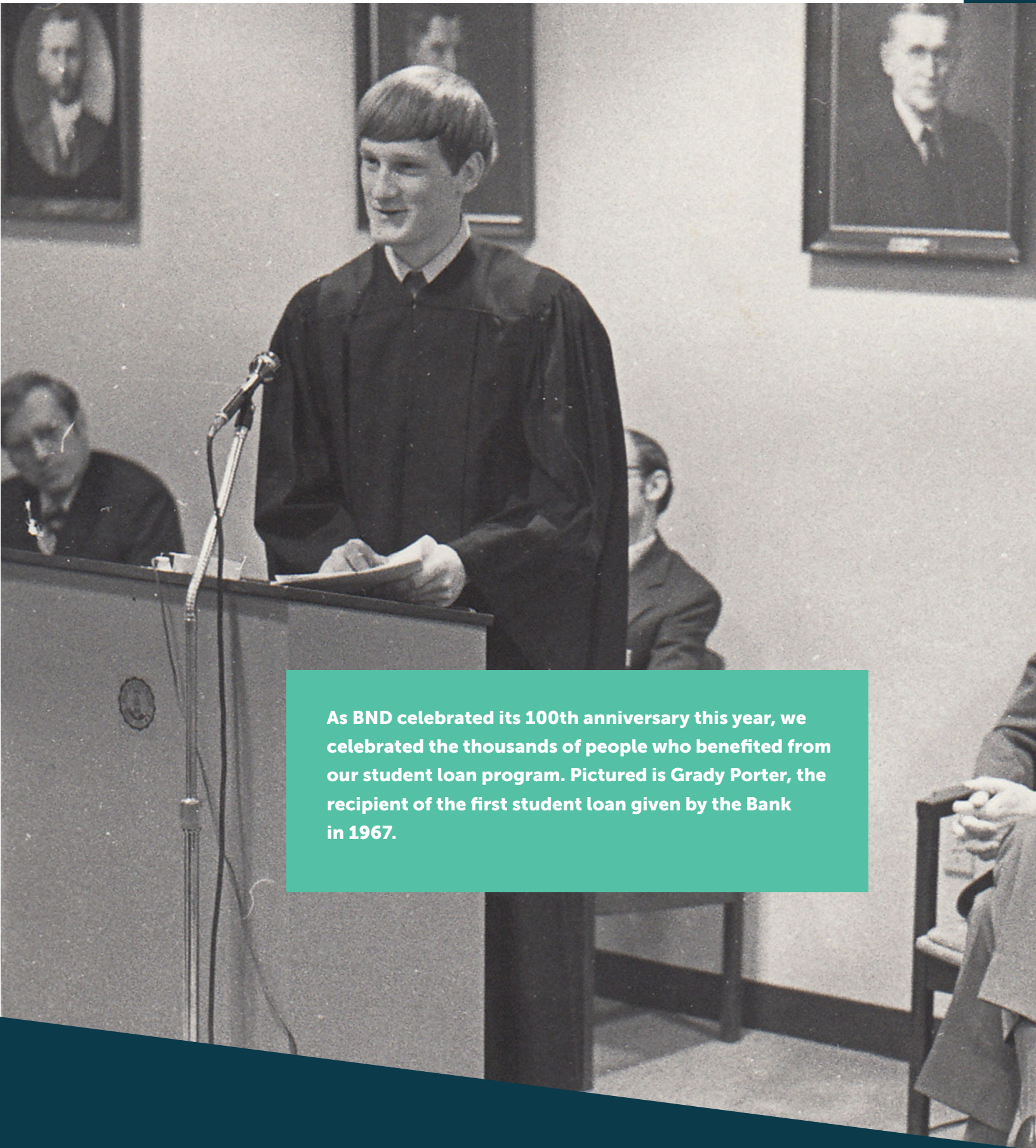
This legislation complements a variety of programs the Bank has that include College SAVE, North Dakota Dollars for Scholars and Career Discovery ND, to name a few. Each of these is important to help individuals plan and pay for education needs beyond high school.

BND continues to emphasize the importance of students making smart career choices and borrowing wisely to pay for education if needed. This happens through a variety of online resources, written materials, partnerships with high school and postsecondary professionals and face-to-face classes scheduled around the state. We expect the coming year to be a pivotal year as we continue broadening this focus to more strongly emphasize the different paths to the workforce and reaching more parents and students.

A stylized, handwritten signature of Eric Hardmeyer in white ink.

Eric Hardmeyer  
*President and Chief Executive Officer*





**As BND celebrated its 100th anniversary this year, we celebrated the thousands of people who benefited from our student loan program. Pictured is Grady Porter, the recipient of the first student loan given by the Bank in 1967.**





**"It's not what you  
achieve, it's what you  
overcome. That's what  
defines your career."**

*- Carlton Fisk*

# BND Educational Partners and Outreach Activities

- Baby expos
- Bismarck Tribune
- Blue Cross Blue Shield
- Burdick Job Corps
- CHI St. Alexius
- Choice Financial Junior Bank Board
- Community Action
- DECA
- Dollars for Scholars Chapters
- Family Wellness Center
- FBLA
- Financial advisers
- Grand Forks Housing Authority
- High school teachers and counselors
- Jump\$tart
- Killdeer Mountain Manufacturing
- Kiwanis Club
- KX News Station
- Missouri River Area Career and Technical Center
- North Dakota State Fair
- Community libraries
- North Dakota private colleges and programs
- Optimist Club
- Path, Inc.
- Seeds for Hope
- State of North Dakota Agencies
  - Department of Career & Technical Education
  - Department of Public Instruction
  - Indian Affairs Commission
  - Information Technology Department
  - Public Employees Retirement System
  - State Library
  - UND School of Medicine
  - University System and individual state colleges
- State of North Dakota Associations
  - Dakota Association for College Admission Counseling
  - ND Association of Student Financial Aid Administrators
  - ND Counseling Association
  - ND Dental Association
  - ND Dollars for Scholars
  - ND Library Association
  - ND Medical Association

# College SAVE

College SAVE, the state-administered 529 plan, is not just for college. In fact, there are several changes in federal law that positively impact North Dakota families.

## The allowable uses for a 529 plan now include:

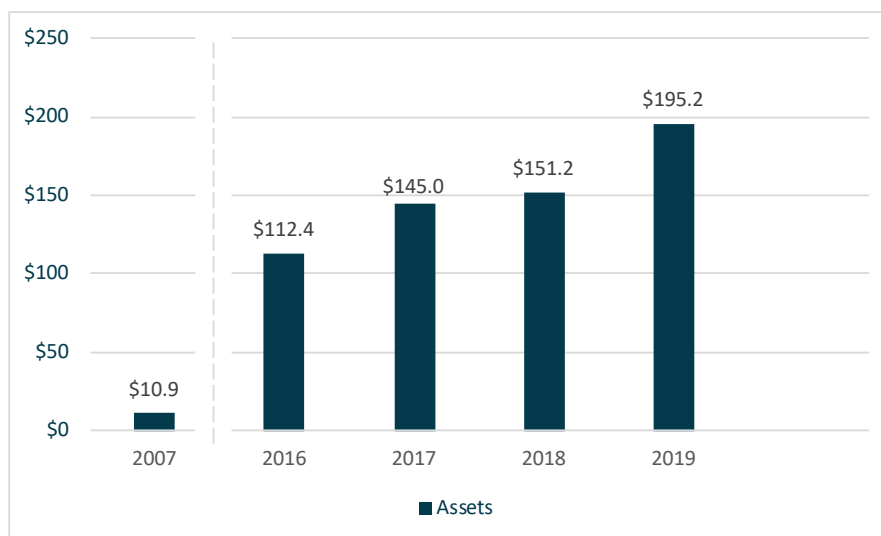
- Private and parochial school tuition
- Approved apprenticeship programs
- Student loan debt

Nearly 3,400 new accounts, which is an all-time high, were opened for North Dakota residents in 2019 and a total of \$25 million was contributed to the plan. Residents are making good use of the match programs. Over 1,700 BND Match and New Baby Match accounts received funding in 2019 which came to \$440,000. Since starting the match programs, BND has contributed \$3.7 million to them.

Account holders who have used match programs demonstrate a strong track record for college saving. For every dollar contributed to a New Baby Match, \$28 is invested and for every dollar distributed through the BND Match, \$11 is invested.

BND is always seeking new ways to connect with residents, and this year, became a sponsor of the fall and winter Pride of Dakota shows. We welcomed more than 1,000 people from 84 communities at our booth and shared the benefits of College SAVE with them. The College SAVE Summer Reading Challenge, a partnership with community libraries across the state, reached more than 4,000 young readers in 50 communities, and 66 new accounts started as a result.

## College SAVE Net Assets of North Dakota Residents





### Total Assets by Beneficiary Age (North Dakota Residents)

Age	Funded Accounts	Total Assets
0-4 years old	8,111	\$22,933,704
5-8 years old	7,345	\$42,944,441
9-14 years old	7,172	\$68,831,266
15-18 years old	3,065	\$40,204,389
19 and older	1,566	\$20,334,613
<b>Total</b>	<b>27,259</b>	<b>\$195,248,413</b>



# Planning and Paying for College





## College Application Month

A record 154 high schools participated in College Application Month with just over 4,000 seniors submitting applications to a North Dakota college or university. The Bank partners with colleges, community banks and other volunteers to support the students in completing their application. In 2015, the year before BND took over administering the program, only four high schools participated and 103 seniors submitted applications.

## Student Loans

BND continues to offer one of the most affordable student loan options in the nation to North Dakota students.

There were 7,464 students who used BND's student loan program to pay higher education costs in 2019. As of Dec. 31, 2019, BND's student loan portfolio had 97,547 loans for \$1.18 billion.

## Scholarships

BND administers North Dakota Dollars for Scholars which raises statewide scholarships and supports local chapters with scholarship dollars and education support. In 2019, it distributed \$96,500 to 88 students after receiving a record number of 3,683 scholarship applications. In addition, BND donated \$46,000 in scholarships to local chapters.

## Financial Literacy Education

Presentations were made to 3,044 individuals in 38 different organizations. The Bank incorporates financial literacy components into its social media posts and website, and provides one-on-one education when visiting with student loan customers.

## Indian Youth Leadership

It was another successful year for the North Dakota Indian Youth Leadership Academy held in Bismarck with 36 youth attending. They are exposed to living on a college campus while learning leadership skills and their heritage during the five-day program.

## Dual Credit

A total of 494 high school students on the free and reduced lunch program took 749 courses paid by BND this year. The most popular courses are Fundamentals of Public Speaking, College Algebra, College Composition I and II, and Intro to Psychology.

## GED

BND pays for the first and final exams when residents take their General Education Development (GED) exam. In 2019, the Bank covered the expenses of 733 exams.

## Online Resources

BND's College Handbook was expanded to include a section specifically for nontraditional students who constitute around 25% of today's college population. Why Apply, a site for Native American youth to explore the option of attending college, is also maintained by Bank of North Dakota.

## Workforce Development

Sixty percent of the careers in North Dakota do not require a four-year degree. Data from the 2018 high school graduation class shows that approximately 40% of them went on to a four-year college or university, 20% started in a two-year program and 40% did not choose any postsecondary education<sup>(1)</sup>.

BND coordinates Career Discovery ND, a two-hour session for parents and students that shares information on the top careers in North Dakota, scholarships, financial literacy and paying for postsecondary education. These are conducted in up to 10 rural communities with presenters from the North Dakota Career Resource Network, North Dakota Department of Commerce, North Dakota Department of Public Instruction and Bank of North Dakota.

The Skilled Workforce Program was established by the 2019 Legislature with a \$6 million transfer from BND capital. Known as ND Career Builders, the Bank is involved in developing the program parameters and developing communication materials.

The student loan program at BND touts one of the most affordable interest rates in the country. North Dakota residents do not pay any fees and are eligible to refinance all their student loans, including federal loans.

## Future Strategies Addressing the Workforce Needs in North Dakota

Several items are in the development stages at BND with expectation to be implemented in 2020 and early 2021. These include:

- The College SAVE Kindergarten Match will help families that don't feel able to commit to a college savings account and take advantage of match programs early in a child's life because childcare costs take up a major portion of their budget. The Bank will add a new match program for families when their child enters kindergarten to encourage them to save for college.
- New student loan software will be deployed that updates communication options. The new portal will have texting capabilities, be mobile-friendly, allow more payment options and offer 24-hour payment service.
- Student loan options to pay for vetted certificate and apprenticeship programs will be implemented as a result of legislation passed in 2019.

(1) ND Workforce Development Council Summary - <https://www.workforce.nd.gov/uploads/8/WDCReportFINAL2018.pdf>



## BND Invests in Education

BND invests in programs that help North Dakotans achieve their postsecondary education goals. Collaboration with local volunteers, high school counselors and college personnel aids in the success of these programs.

Program	Description	2019	2018
College SAVE New Baby Match	Since inception, 7,303 children have received this match. There were 1,126 newborns who enrolled in 2019.	\$217,015*	\$236,640*
College SAVE BND Match	There are 6,332 BND Match accounts; 581 were approved in 2019.	\$213,565*	\$300,274*
College SAVE Scholarships	Several statewide initiatives to increase awareness of College SAVE award a contribution to a new or existing College SAVE account. These include the Summer Reading Challenge, Pride of Dakota, 529 Day and the North Dakota State Fair.	\$23,647	\$11,500
Career Discovery ND	Six communities hosted events for a total of 522 participants. Early winter storms forced the cancellation of four events.	\$0**	\$0**
College Application Month	There were 154 high schools with 4,014 participants submitted a college application during events at their school.	\$90,870	\$123,800
Dual Credit Assistance	A total of 494 high school students on the free and reduced lunch program took 749 courses paid by BND this year.	\$348,931	\$279,697
GED Exams	BND pays for the first and final exams when residents take their GED exam. In 2019, the Bank covered the expenses of 733 exams.	\$19,750	\$19,210
Indian Youth Leadership Academy	The Indian Affairs Commission hosted 36 youth at this weeklong event.	\$20,000	\$20,000
North Dakota Dollars for Scholars	Eighty-eight students received scholarships for the 2019-20 academic year.	\$97,000	\$129,000
Scholarships	BND distributed Real DEAL scholarships to 47 college freshmen.	\$25,000	\$25,750
<b>Total</b>		<b>\$1,055,778</b>	<b>1,145,871</b>

\* Actual receipt of New Baby Match and BND Match funds requires a match from another depositor, typically a family member. \*\* BND partnered with local financial institutions to cover the expenses.

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