

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

HIGHER EDUCATION COMMITTEE

Wednesday, June 12, 2002
Heritage Ballroom, Doublewood Inn
Bismarck, North Dakota

Senator Dave Nething, Chairman, called the meeting to order at 8:30 a.m.

Members present: Senators Dave Nething, Linda Christenson, Tim Flakoll, Tony Grindberg, Ray Holmberg, Elroy N. Lindaas, Ken Solberg, Rich Wardner; Representatives Ole Aarsvold, Rachael Disrud, Eliot Glassheim, Pam Guleson, Nancy Johnson, Myron Koppang, Bob Martinson, Ralph Metcalf, Janet Wentz

Members absent: Senator Ed Kringstad; Representatives Michael Grosz, Roxanne Jensen, Bill Pietsch, Lonny Winrich

Roundtable members present: Sue Andrews, Linda Butts, Joseph A. Chapman, Beverly Clayburgh, Jennifer Feist, Bruce Furness, Bill Goetz, James Grijalva, Gary D. Hagen, Don Hedger, Bruce Henke, William B. Isaacson, Larry Isaak (ex officio nonvoting), Dennis Johnson, David Kemnitz, Ralph Kingsbury, Dale Knutson, Richard Kunkel, Charles Kupchella, Wayne Kutzer, Craig Larson, Heather J. Lee, Philip Leitner, Ryn Pitts, Ken J. Quamme, Roger Reierson, Warren Robinson, Wayne Sanstead, H. Erik Shaar, Chuck Stroup, Sister Thomas Welder, Curtis L. Wolfe (ex officio nonvoting)

Roundtable members absent: Hardin Aasand, Josh Askvig, Craig Caspers, Bruce Christianson, Vern Dosch, Red Geurts, Dennis Hill, Jim Jensen, Gloria Lokken, Carty Monette, Don Morton, Donna Thigpen

Others present: See attached appendix

Chairman Nething said without objection the minutes of the May 6-7, 2002, meeting were approved as distributed.

HIGHER EDUCATION ROUNDTABLE

At the request of Chairman Nething, North Dakota University System representatives showed a videotape presentation by Mr. Dale Campbell, Professor and Director, Institute of Higher Education, University of Florida, Gainesville, Florida, regarding the 2002 Community College Futures Assembly Bellwether Award. Mr. Campbell said the 2002 Community College Futures Assembly awarded the Bellwether Award in the category of planning, governance, and finance to the Higher Education Roundtable.

Mr. Roger Reierson, Chairman, New Economy Initiative, and roundtable member, commented on the 2002 Community College Futures Assembly Bellwether Award. Mr. Reierson said as a former judge

for the Community College Futures Assembly Bellwether Award, it is an honor for the Higher Education Roundtable to be a recipient of the award. He congratulated Senator Nething and the members of the Higher Education Roundtable.

Chairman Nething accepted the 2002 Community College Futures Assembly Bellwether Award on behalf of the entire Higher Education Roundtable.

Chairman Nething discussed accomplishments of the 2001 Legislative Assembly relating to the recommendations from the 1999-2000 interim Higher Education Committee. He said the 2001 Legislative Assembly increased the general fund appropriations for higher education by approximately 8 percent for the 2001-03 biennium; provided a continuing appropriation for higher education institutions' special revenue funds, including tuition; consolidated the line items for higher education institutions from four to two--operations and capital assets; provided for the carryover of unspent general fund appropriations into the next biennium; and provided accountability measures to be included in the State Board of Higher Education's performance and accountability report. He said during the 2001-02 interim, the Higher Education Committee visited each of the 11 higher education institutions and found that each of the institutions demonstrated excitement and enthusiasm.

Mr. Chuck Stroup, President, State Board of Higher Education, and roundtable member, provided information regarding the State Board of Higher Education's accomplishments relating to the recommendations from the 1999-2000 interim Higher Education Committee. A copy of the information is on file in the Legislative Council office. Mr. Stroup said the State Board of Higher Education has developed a new North Dakota University System strategic plan based on the recommendations from the 1999-2000 interim Higher Education Committee, approved a long-term financing plan and resource allocation model as recommended by the 1999-2000 interim Higher Education Committee, and published a performance and accountability report as required by 2001 Senate Bill No. 2041.

Mr. Larry Isaak, Chancellor, North Dakota University System, and roundtable member, provided information regarding the higher education institutions' accomplishments relating to the recommendations

from the 1999-2000 interim Higher Education Committee. A copy of the information is on file in the Legislative Council office. Mr. Isaak said the higher education institutions are working collaboratively to deliver high-demand educational programs in rural North Dakota, increasing research development efforts, and increasing the number of partnerships with the private sector. He said the North Dakota University System must continue to emphasize the five Rs of higher education--recruitment, retention, responsiveness, research, and relationships.

Mr. Bill Goetz, Chief of Staff, Governor's office, and roundtable member, provided information regarding the recommendations from the 1999-2000 interim Higher Education Committee. Mr. Goetz said the North Dakota University System and the other stakeholders have made numerous accomplishments relating to the recommendations from the 1999-2000 interim Higher Education Committee, and the budget concerns for the next biennium must not defeat those accomplishments. He said the North Dakota University System should concentrate on the transfer of research efforts to product development and economic development, communications with local communities, and policy development.

Roundtable Member Reiersen provided information on the state's New Economy Initiative. He said the New Economy Initiative is a statewide effort to mobilize all North Dakotans to develop new ideas, to grow the economy, and to create a more prosperous state. He said an important aspect of the New Economy Initiative is to grow talent to match the new proposed knowledge-based economy. He said a statewide talent pool strategy has been developed which includes the following five strategic statements:

1. Attract and embrace a more diverse workforce that targets innovation and technology and other careers identified by the needs assessment tool.
2. Utilize the assets of colleges and universities in attracting and retaining a new economy workforce.
3. Develop an aggressive marketing campaign promoting North Dakota's "quality of place."
4. Expand workforce training and lifelong learning to match North Dakota's current workforce to new economy opportunities and move to a high-value workforce.
5. Become a national model for providing rural kindergarten through postsecondary education and lifelong learning.

Mr. Dennis Jones, President, National Center for Higher Education Management Systems, Boulder, Colorado, provided information regarding accomplishments relating to the recommendations from the 1999-2000 interim Higher Education Committee and Higher Education Roundtable responsibilities. Mr. Jones congratulated the roundtable for the state's accomplishments relating to the recommendations

from the 1999-2000 interim Higher Education Committee and said North Dakota is the only state in the nation at the present time that is making progress in the area of higher education. He said in regard to Higher Education Roundtable responsibilities, each of the Higher Education Roundtable task forces are to:

- Review the corresponding accountability information to determine if progress is being made or if there are areas that need addressing.
- Suggest short-term, high-priority action items that will move the higher education cornerstones forward, including the identification of the stakeholders responsible for achieving the items.

Mr. Jones said it is not the responsibility of the Higher Education Roundtable task forces to answer the question of how the stakeholders are to accomplish the action items. He challenged the Higher Education Roundtable to be the persistently consistent champions of the goals, the action agenda, and the inclusionary process of the roundtable.

The committee recessed at 10:00 a.m. to convene the Higher Education Roundtable task forces--Economic Development Connection, Education Excellence, Flexible and Responsive System, Accessible System, Funding and Rewards, and Sustaining the Vision--to review the progress being made in creating a university system for the 21st century, develop up to three high-priority action items, and identify the stakeholders responsible for achieving the respective priority action items.

ECONOMIC DEVELOPMENT CONNECTION

After lunch, Chairman Nething called on Senator Grindberg, Chairman, Economic Development Connection Task Force, for comments regarding the task force discussions and high-priority action items.

Senator Grindberg discussed the following action items of the Economic Development Connection Task Force:

1. Review existing state laws to determine if the laws are sufficient to protect the privacy and confidentiality of the information of business and industry in partnerships with the North Dakota University System, and if not, request that legislation be developed and provided to the interim Higher Education Committee.
2. Endorse the New Economy Initiative's statewide talent pool strategy and the following related five strategic statements:
 - a. Attract and embrace a more diverse workforce that targets innovation and technology and other careers identified by the needs assessment tool.
 - b. Utilize the assets of colleges and universities in attracting and retaining a new economy workforce.

- c. Develop an aggressive marketing campaign promoting North Dakota's "quality of place."
- d. Expand workforce training and lifelong learning to match North Dakota's current workforce to new economy opportunities and move to a high-value workforce.
- e. Become a national model for providing rural kindergarten through postsecondary education and lifelong learning.

Senator Grindberg said the Economic Development Connection Task Force will collaborate with the New Economy Initiative and the Department of Commerce to further refine strategies and action items to maintain maximum institutional flexibility.

Roundtable Member Wolfe said in addition to the action items identified by the Economic Development Connection Task Force, the task force discussed the issue of allowing private sector entities housed in business incubation centers on campuses to use higher education telecommunications services. He said the issue may have to be addressed by the 2003 Legislative Assembly.

Senator Holmberg suggested revising the second action item to refer to preschool through postsecondary education instead of kindergarten through postsecondary education.

Roundtable Member Kupchella suggested the addition of a third action item relating to the enhancement of colleges' and universities' capacity to perform research.

Roundtable Member Reiersen suggested instead of a third action item that the Economic Development Connection Task Force, in its continued collaboration with the New Economy Initiative and the Department of Commerce, further refine strategies and action items to provide emphasis on the enhancement of colleges' and universities' capacity to perform research.

Chairman Nething called on Mr. Jones to provide comments regarding the Economic Development Connection Task Force discussions and action items. Mr. Jones suggested the first action item be modified to include the review of procedures relating to developing partnerships between the North Dakota University System and business and industry. He said it is important to determine the barriers that exist which make developing partnerships with the North Dakota University System difficult.

Senator Grindberg agreed with the suggested modifications.

EDUCATION EXCELLENCE

Chairman Nething called on Senator Solberg, Chairman, Education Excellence Task Force, for comments regarding the task force discussions and action items. Senator Solberg said the task force discussed the cornerstone's major themes included in

the Higher Education Roundtable report and identified the following action items:

1. Continue strong emphasis on making and keeping faculty salaries competitive.
2. Begin to conceptualize/develop an approach to kindergarten through postsecondary education using a roundtable approach.
3. Encourage and strongly support emphasis on experiential learning, including the inclusion of students with faculty in applied research and other problem-solving activities.
4. Enhance emphasis on research as a means to attract and retain faculty.
5. Consider the establishment of an enhanced state scholarship program.

Senator Solberg said in addition, he is concerned with the North Dakota University System's tuition waiver option and hopes the higher education institutions only use the option to attract quality students.

In response to a question from Senator Nething regarding the stakeholders responsible for achieving the action items, Senator Solberg said the stakeholders responsible for the Education Excellence action items are the State Board of Higher Education and the higher education institutions.

Roundtable Member Kingsbury said the state of North Dakota ranks 50th in the nation in faculty salaries and it is important to continue efforts to make faculty salaries competitive.

In response to a question from Representative Disrud regarding the North Dakota University System's tuition waiver option, Senator Solberg said the North Dakota University System and the higher education institutions should have a definition of quality students.

Chairman Nething called on Mr. Jones to provide comments regarding the Education Excellence Task Force discussions and action items. Mr. Jones said the cornerstone centers largely around the quality of education. He said instead of an enhanced scholarship program, the state may want to consider the expansion of other programs such as the work study program into the private sector.

In response to a question from Roundtable Member Kupchella regarding the responsible stakeholders, Senator Nething said the task force is to identify the primary stakeholders responsible for achieving the action items, realizing that all stakeholders are responsible for assisting with the action items.

FLEXIBLE AND RESPONSIVE SYSTEM

Chairman Nething called on Senator Tim Flakoll, Chairman, Flexible and Responsive System Task Force, for comments regarding the task force discussions and action items. Senator Flakoll said during the committee's visits to the higher education institutions, each of the presidents identified continued flexibility as their nonmonetary request of the 2003

Legislative Assembly. He said the task force identified the following action items:

1. Continuation and expansion of the flexibility granted to the North Dakota University System. (Responsibility: Legislative Assembly, State Board of Higher Education)
2. Colleges and universities must continue to establish strategic alliances with businesses and industries, community groups, and federal entities. (Responsibility: State Board of Higher Education, higher education institutions)
3. Examine the balance between competition and cooperation in the North Dakota University System and provide mechanisms for guidance. (Responsibility: State Board of Higher Education, higher education institutions)

Roundtable Member Goetz suggested the second action item be modified to reflect that the Department of Commerce should also continue to establish strategic alliances.

Chairman Nething called on Mr. Jones to provide comments regarding the Flexible and Responsive System Task Force discussions and action items. Mr. Jones suggested the second action item be modified to include state government as an entity for strategic alliances.

Senator Flakoll agreed to the suggested modifications.

ACCESSIBLE SYSTEM

Chairman Nething called on Representative Johnson, Chairman, Accessible System Task Force, for comments regarding the task force discussions and action items. Representative Johnson said the task force reviewed North Dakota University System accomplishments in the area of accessibility and identified the following action items:

1. Develop partnerships to ensure students leave kindergarten through grade 12 with the knowledge and skills necessary to function effectively as college and university students. (Responsibility: North Dakota University System, kindergarten through grade 12)
2. Higher education institutions should become more approachable and should provide more assistance to enable older than average students to further their education and skills development. (Responsibility: North Dakota University System, higher education institutions)
3. Enhance marketing efforts for recruitment purposes, including informing the public and customers of programs available and program successes. (Responsibility: North Dakota University System, Legislative Assembly)

Chairman Nething called on Mr. Jones to provide comments regarding the Accessible System Task Force discussions and action items. Mr. Jones said the North Dakota University System must determine how to get the higher education institution to the student instead of the student to the higher education institution.

FUNDING AND REWARDS

Chairman Nething called on Senator Wardner, Chairman, Funding and Rewards Task Force, for comments regarding the task force discussions and action items. Senator Wardner said the task force identified the following action items:

1. Identify strategies for maximizing campus utilization. (Responsibility: State Board of Higher Education, higher education institutions, private sector)
2. Continue to enhance campus entrepreneurship and partner with state and federal government, private sector, and other entities. (Responsibility: State Board of Higher Education, higher education institutions, private sector)
3. Ensure that focus and rewards are consistent with established North Dakota University System and higher education institutions goals. (Responsibility: State Board of Higher Education, higher education institutions)
4. Continue higher education special revenue funds continuing appropriation authority, higher education budget requests, budget estimates, and appropriation legislation, and higher education appropriation carryover legislation passed by the 2001 Legislative Assembly. (Responsibility: Legislative Assembly)

Senator Nething suggested the fourth action item be modified to include the executive branch as a responsible stakeholder.

In response to a question from Representative Glassheim regarding the continuation of the principals of the Higher Education Roundtable with the budget concerns for the next biennium, Senator Wardner said the Legislative Assembly may want to continue the flexibility granted to the North Dakota University System, as it may be even more important during a time of budget limitations.

Representative Guleson said in regard to the budget concerns for the next biennium, the Legislative Assembly should prioritize statewide initiatives to assist with the decision of which initiatives should be funded.

In response to a question from Senator Grindberg, Senator Nething said higher education receives approximately 20.6 percent of the state's general fund appropriations. For the 2001-03 biennium, the percentage resulted in a general fund appropriation

increase for higher education of approximately \$8 million.

Roundtable Member Furness said the North Dakota University System should use the granted flexibility to adapt and change during times of economic hardship.

Chairman Nething called on Mr. Jones to provide comments regarding the Funding and Rewards Task Force discussions and action items. Mr. Jones said flexibility is important during times of economic hardship and it is also important for the private sector to have a role in the support for the legislation passed by the 2001 Legislative Assembly.

Senator Nething suggested the fourth action item be modified to include the private sector as a responsible stakeholder.

Senator Wardner agreed to the suggested modifications.

SUSTAINING THE VISION

Chairman Nething called on Representative Wentz, Chairman, Sustaining the Vision Task Force, for comments regarding the task force discussions and action items. Representative Wentz said the task force identified the following action items:

1. Continue the roundtable concept by retaining the structure of the membership and having annual meetings. (Responsibility: Legislative Council)
2. Develop a clear and concise message of the roundtable which explains the benefits of the roundtable. (Responsibility: North Dakota University System)
3. Tell the story by broadening and intensifying the message to the following:
 - a. General public.
 - b. Business community.
 - c. Legislative Assembly.
 - d. Media.
 - e. North Dakota University System faculty.
 - f. Kindergarten through grade 12.

Representative Wentz said the responsible stakeholders for the third action item includes the State Board of Higher Education, higher education

institutions, the Legislative Assembly, executive branch, and the private sector.

Chairman Nething called on Mr. Jones to provide comments regarding the Sustaining the Vision Task Force discussions and action items. Mr. Jones said it is important for the roundtable concept to be continued and for the entire state to understand the benefits of the Higher Education Roundtable.

It was moved by Representative Aarsvold, seconded by Representative Glassheim, and carried on a voice vote that the Higher Education Roundtable accept the Higher Education task force high-priority action items with suggested modifications and forward the action items to the interim Higher Education Committee for its consideration.

Chairman Nething said the Higher Education Committee will focus on the action items identified to be the responsibility of the Legislative Assembly. He said he appreciated the discussion and the work that was accomplished by the task forces. He said the next meeting of the Higher Education Committee will be in late summer or early fall and at that time the Economic Development Connection Task Force may offer any additions or revisions to its action items.

The committee adjourned subject to the call of the chair at 3:25 p.m.

Roxanne Woeste
Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1