

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

HIGHER EDUCATION COMMITTEE

Wednesday and Thursday, May 10-11, 2006

Minot State University and North Central Research Extension Center, Minot, North Dakota
Minot State University - Bottineau and North Dakota Forest Service, Bottineau, North Dakota
Lake Region State College, Devils Lake, North Dakota

Senator Ray Holmberg, Chairman, called the meeting to order at 8:30 a.m. on Wednesday, May 10, 2006, at the Conference Center in the Student Union at Minot State University.

Members present: Senators Ray Holmberg, Tim Flakoll, Tony Grindberg, Nicholas P. Hacker, Elroy N. Lindaas, Dave Nething, David O'Connell; Representatives Ole Aarsvold, Larry Bellew, Lois Delmore, Mary Ekstrom, Andrew G. Maragos, Bob Martinson, Darrell D. Nottestad, Steven L. Zaiser

Members absent: Senator Ed Kringstad; Representatives Tom Brusegaard, Kathy Hawken, Nancy Johnson, Mark S. Owens, Earl Rennerfeldt

Others present: Kari Conrad, State Representative, Minot

Matthew M. Klein, State Representative, Minot

Tom Seymour, State Senator, Minot

John T. Traynor, State Senator, Devils Lake

See attached appendix for additional persons present.

Senator Larry J. Robinson, member of the Legislative Council, was also in attendance.

It was moved by Representative Nottestad, seconded by Senator O'Connell, and carried on a voice vote that the minutes of the April 13, 2006, meeting be approved as distributed.

MINOT STATE UNIVERSITY

Dr. David Fuller, President, Minot State University, welcomed the committee to the campus and distributed a tour packet. The packet is on file in the Legislative Council office.

Dr. Fuller said Minot State University is in the process of completing a strategic planning initiative to develop a new vision and direction for the university. He said the university is also working with an architect to revise the campus master plan. He said he supports a unified system of higher education and the university has a good working relationship with the chancellor and the North Dakota University System office.

Dr. Fuller said each year the university develops goals associated with the recommendations of the Higher Education Roundtable. He said examples of the university's goals for the 2005-06 academic year include:

- Developing a campuswide program to increase knowledge and skill in applying for additional university resources and developing and

delivering programs to enhance local and regional economic growth and social vitality. (Economic Development Connection)

- Reviewing current graduate programs and identifying alternative delivery methods to meet the state, regional, national, and international education needs. (Education Excellence)
- Revamping the orientation program and other selected first-year activities to be more responsive to students and effective regarding the introduction to campus, college life, and academic expectations. (Flexible and Responsive System)
- Continuing to pilot a recruitment initiative for traditional students in Minnesota and Washington. (Accessible System)
- Completing a review of the university's tuition waiver plan. (Funding and Rewards)
- Connecting the university's strategic planning goals and initiatives with the Higher Education Roundtable cornerstones and disseminating the results to the campus and other constituents. (Sustaining the Vision)

Dr. Gary Rabe, Vice President for Academic Affairs, Minot State University, provided information regarding the university's programs. He said the university has established an academic diversity requirement under which students must complete three general education classes and three classes within their major that meet specific diversity requirements. He said the university is working on completing articulation agreements with other higher education institutions, including higher education institutions in China.

In response to a question from Representative Nottestad, Dr. Rabe said the university will add the specific diversity requirements to existing classes so students will not be required to complete additional classes to fulfill the diversity requirements.

Dr. Richard Jenkins, Vice President for Student Affairs, Minot State University, provided information regarding the university's student mentoring and orientation programs. A copy of the information is on file in the Legislative Council office. He said in the fall of 2006, the university will implement a new freshman mentoring program to ensure an initial point of contact and assistance for entering students. He said the mentors will be volunteer faculty and staff who will meet with assigned students either individually or in

small groups. He said the volunteers will supplement rather than replace the work of academic advisors.

In response to a question from Senator Robinson, Dr. Jenkins said increases in tuition have resulted in an increase in student loans and an increase in the number of hours students are working. He said the number of hours students work affect student performance and involvement in extracurricular activities.

In response to a question from Senator Hacker, Dr. Fuller said the university does survey students regarding their engagement with the university.

Ms. Stephanie Witwer, Assistant Vice President for Enrollment Management, Minot State University, provided information regarding the university's current enrollment and long-term enrollment management plans. The information is included in the committee's tour packet. She said the university's fall 2005 enrollment is summarized as follows:

	Fall 2004	Fall 2005	Increase (Decrease)
Headcount enrollment (Undergraduate and graduate)	3,851	3,798	(53)
Headcount enrollment (Undergraduate)	3,576	3,547	(29)
Headcount enrollment (Graduate)	275	251	(24)
New freshman students	549	471	(78)
New transfer students	456	382	(74)
New graduate students	67	68	1

Ms. Witwer said the university's distance education activity is summarized as follows:

Delivery Method	Fall 2001	Fall 2002	Fall 2003	Fall 2004	Fall 2005
Online	399	614	857	1,004	1,105
Minot Air Force Base	691	471	677	563	308
Correspondence	109	121	130	101	112
Interactive Video Network	56	47	22	93	87

In response to a question from Representative Nottestad, Ms. Witwer said the university is expanding its Canadian student recruiting efforts.

Mr. Jared Edwards, Director of Plant Services, Minot State University, provided information regarding the status of capital improvements for the 2005-07 biennium and anticipated capital improvement needs for the 2007-09 biennium. The information is included in the committee's tour packet. He said the 2005 Legislative Assembly provided funding of \$676,870 from the general fund for extraordinary repairs, including \$350,000 for renovation of the Student Union ballroom, \$95,000 for roof replacements, \$85,000 for campus networking, and \$146,870 for projects costing less than \$50,000.

He said capital improvement needs for the 2007-09 biennium include:

Project	Cost Estimate	Funding Source
Swain Hall addition and renovation	\$7,036,150	General fund
Dome athletic floor replacement	\$336,312	50 percent general fund and 50 percent private and local funds
Dakota Hall elevator	\$340,000	Auxiliary and local funds
Pioneer Hall elevator	\$363,000	Auxiliary and local funds

Representative Ekstrom requested the university provide a listing of outstanding deferred maintenance. The information was provided by the university, and a copy of the information is on file in the Legislative Council office. The university has approximately \$13.9 million of outstanding deferred maintenance.

Mr. Ronald Dorn, Vice President for Administration and Finance, Minot State University, provided information regarding funding challenges and opportunities. The information is included in the committee's tour packet. He said the university is struggling with increases in utility costs and the functionality of the ConnectND system.

In response to a question from Senator Robinson, Mr. Dorn said he believes it may take one or two years before the university has worked out the difficulties of the ConnectND system.

Dr. Fuller said the implementation of the ConnectND system has been very frustrating. He said he is not sure if the system can be fixed but he hopes the State Board of Higher Education efforts to provide additional assistance with the system will be helpful.

Dr. Robert L. Potts, Chancellor, North Dakota University System, said the North Dakota University System office will be announcing the hiring of two individuals to assist with the ConnectND system.

In response to a question from Representative Maragos, Mr. Dorn said the university will provide the committee with corrected information regarding the comparison of budget to actual amounts for the 2005-06 fiscal year.

NORTH CENTRAL RESEARCH EXTENSION CENTER

Mr. Jay Fisher, Director, North Central Research Extension Center, provided information regarding the mission, major accomplishments, status of the 2005-07 budget, and future critical needs of the North Central Research Extension Center. A copy of the information is on file in the Legislative Council office. He said the mission of the center is to conduct research to increase agriculture productivity in north central North Dakota and to serve area agricultural producers through crop research, foundation seed production, and dissemination of education programs.

He said the 2005 Legislative Assembly appropriated \$1,690,000 for construction of an agronomy laboratory and greenhouse at the center. The funding for the project is \$440,000 from state bonding proceeds and \$1,250,000 from gifts, grants, contracts, and donations. He said the center will be seeking approval from the State Board of Higher Education on May 17, 2006, to proceed with the project. He said he is not sure if the bids will come in within the \$1,690,000 budget. He said the center's future needs include funding for the Northern Plains Canola Industry (\$300,000), a pulse crop research and extension enhancement initiative (\$300,000), and the construction of a machine storage building (\$180,000).

MINOT STATE UNIVERSITY

The committee conducted a tour of the campus of Minot State University, including the Student Union ballroom, Dome, and Swain Hall.

Upon completion of the tour, the committee recessed for lunch.

After lunch the committee traveled to Minot State University - Bottineau.

MINOT STATE UNIVERSITY - BOTTINEAU

Dr. Ken Grosz, Dean, Minot State University - Bottineau, welcomed the committee to the campus and recognized Dr. Fuller who provided comments on Minot State University - Bottineau.

Dr. Grosz provided information regarding the university's program mix, enrollment, plans for responding to demographic trends in North Dakota, and proposed center of excellence. The information is included in the committee's tour packet, a copy of which is on file in the Legislative Council office. He said 46 percent of the university's students are enrolled in liberal arts or transfer programs, 21 percent in business and office education programs, 17 percent in natural resources programs, and 16 percent in allied health programs. He said the university's fall 2005 headcount enrollment was 523, of which 313 are on-campus students and 210 are distance education students. He said the university's online delivery activity is summarized as follows:

	Programs	Courses	Registrations
Fall 2001	0	4	9
Fall 2002	1	13	40
Fall 2003	4	23	97
Fall 2004	8	42	238
Fall 2005	16	51	318

Dr. Grosz said the university's plans for responding to the demographic trends in North Dakota include implementing a student success program, redesigning the university's web site, and discounting tuition for out-of-state residents. He said the university's proposed center of excellence is an entrepreneurial center for horticulture. He said the goal of the proposed center would be to grow the value-added

organic and specialty vegetable industry in North Dakota. He said the proposed center has not been approved by the Centers of Excellence Commission.

In response to a question from Representative Delmore, Dr. Grosz said the university does offer remedial courses.

In response to a question from Representative Aarsvold, Dr. Grosz said faculty who are teaching online courses are doing so in addition to their required on-campus teaching and are therefore provided additional pay for teaching online courses.

Mr. Larry Brooks, Associate Dean for Instruction, Minot State University - Bottineau, provided information regarding the university's programs, initiatives, and efforts to meet the needs of business and industry. A copy of the information is included in the committee's tour packet. He said the university offers seven online degree programs and seven diploma and certificate programs through collaboration with other higher education institutions. He said the university provides dual-credit courses to students in Anamoose, Bottineau, Fessenden, Goodrich, Granville, Rugby, and Towner. He said in regard to meeting the needs of business and industry, the university has implemented four new online programs in the areas of medical coding, bookkeeping, landscape technology, and greenhouse technology; partnered with area workforce development entities to offer certified nurse assistant training; and partnered with other two-year higher education institutions to form the Dakota Nursing Consortium.

In response to a question from Senator Holmberg, Mr. Brooks said the university's dual-credit students are included in the university's distance education headcount enrollment.

In response to a question from Representative Delmore, Mr. Brooks said the university has approximately 50 to 70 dual-credit students. He said the university will be expanding the number of dual-credit sites and classes for the 2006-07 academic year.

Senator Holmberg suggested the university closely monitor its dual-credit activity to ensure that the courses include the curriculum of college courses.

Mr. Jim Borkowski, Director of Financial Affairs, Minot State University - Bottineau, provided information regarding the university's 2005-07 budget, funding challenges, 2005-07 capital improvements, and future improvement needs. A copy of the information is included in the committee's tour packet. He said the university's expenditures for the 2005-07 biennium are on track. He said the university's funding challenges include:

- Faculty and staff salary increases.
- Escalating cost of health insurance.
- Escalating cost of utilities.
- Expenses associated with the ConnectND system.
- Tuition rates.

- Long-term finance plan.
- Deferred maintenance.

In response to a question from Senator Robinson, Mr. Borkowski said the university currently uses coal from Wyoming and Montana; however, the university is considering changing to North Dakota coal in the future.

Mr. Borkowski said in regard to 2005-07 capital improvements and future capital improvement needs, the 2005 Legislative Assembly provided the university with a \$2.5 million special fund appropriation from bonding proceeds for construction of an addition to Thatcher Hall. He said the purpose of the project is to relocate and house all functions currently residing in Old Main, transform the library into a single-story unit, remodel the second level of the library into classroom and office space, and solve ADA-accessibility issues by installing an elevator to provide service to the existing Thatcher Hall as well as the new addition. He said the current estimated cost of the project is \$2.5 million and the estimated completion date for the project is June 30, 2007. He said the university will be seeking Budget Section approval to expand the Thatcher Hall addition project to include the construction of a racquetball court for an estimated cost of \$168,000. He said the construction of the racquetball court would be funded with a donation received from an alumnus of the university. He said the university's future capital improvement needs include steamline replacement (\$252,000) and a roof replacement for Thatcher Hall (\$62,000).

In response to a question from Senator Hacker, Mr. Borkowski said the university will not make any further repairs to Old Main. He said a community organization is trying to raise funds to restore the building.

NORTH DAKOTA FOREST SERVICE

Mr. Larry Kotchman, State Forester, North Dakota Forest Service, provided information regarding Forest Service programs, the status of the 2005-07 budget, and anticipated budget needs for the 2007-09 biennium. A copy of the information is on file in the Legislative Council office. He said the mission of the Forest Service is to care for, protect, and improve forest and natural resources to enhance the quality of life for future generations. He said the Forest Service is organized under the State Board of Higher Education and administered by the State Forester who reports to North Dakota State University. He said the Forest Service is comprised of the following six program coordination teams:

- Community forestry.
- Fire management.
- Forest resource management.
- Information and education.
- Sustainable forestry.
- Tree production.

Mr. Kotchman said the Forest Service has implemented accountability measures to allow the agency to evaluate whether it is meeting strategic

goals. The following is a summary of the Forest Service's strategic goals and accountability measures:

Strategic Goals	Accountability Measures
To positively impact forest-based economic growth and sustainability of communities by promoting the wise use of natural resources	Provide an environment for forest-based economic growth by measuring the percentage of biomass and wood utilization businesses assisted Support forestry-based economic benefits as measured by the percentage of financial assistance provided for forestry practices
To improve the protection of people, property, and natural resources by enhancing interagency cooperation in wildfire management	Enhance community wildfire protection planning at the local level as measured by the number of counties that improve their level of planning Maintain or enhance rural fire districts capacity as measured by the number of fire protection districts that improve their capacity Develop wild land fire awareness and prevention programs at the local level as measured by the number of counties that improve their level of fire awareness
Support informed decisionmaking and foster individual responsibility in stewards of all ages by raising public awareness about natural resource values	Provide education on the importance of North Dakota's forest resources as measured by the percentage of kindergarten through grade 12 teachers and students participating in educational opportunities Promote professionalism within the tree care industry as measured by the percentage of arborists that obtain training and certification
To meet the forest and conservation tree planting needs of private and public landowners by producing and marketing high-quality nursery stock	Meet conifer (evergreen) conservation tree planting needs of North Dakota as measured by the percentage of customer tree orders supplied by Towner State Nursery
To meet current societal demands for today and the needs of tomorrow by ensuring the health, productivity, and growth of private, community, and state forests	Sustain North Dakota's natural resources through stewardship as measured by the percentage of family forest acreage in active management or protection

Strategic Goals	Accountability Measures
	<p>Develop sustainable community forestry programs as measured by the percentage of communities and population served</p> <p>Ensure the health and sustainability of North Dakota's forests as measured by the percentage of at-risk forest resources surveyed for damaging agents</p> <p>Provide a quality outdoor state forest experience as measured by the percentage of state forest land under multiple-use management</p>

Mr. Kotchman said the Forest Service legislative appropriation for the 2005-07 biennium of \$3,027,284 includes funding of \$2,052,283 from the general fund, \$727,515 of estimated income from tree sale collections, and \$247,486 from the Trees for North Dakota program. He said the Forest Service received \$65,000 from the general fund in the 2005-07 biennium for a seed processing facility at the Towner State Nursery.

Mr. Kotchman said in regard to anticipated budget needs for the 2007-09 biennium, the Forest Service will be submitting an optional budget request to address the shortfall in federal funding for forestry programs benefiting communities, fire districts, and family forest landowners. He said the Forest Service will be requesting funding of \$120,000 for the construction of two storage facilities at the Bottineau field office and one outdoor restroom at the Turtle Mountain State Forest near Bottineau.

In response to a question from Representative Nottestad, Mr. Kotchman said the Forest Service is working with local soil conservation districts regarding the loss of shelterbelt trees.

The committee attended the Thatcher Hall addition groundbreaking ceremony and recessed at 4:00 p.m.

LAKE REGION STATE COLLEGE

The committee reconvened at 8:30 a.m. on Thursday, May 11, 2006, in the Chautauqua Gallery, Main Building, Lake Region State College.

Dr. Sharon L. Etemad, President, Lake Region State College, welcomed the committee to the campus and distributed a tour packet. The packet is on file in the Legislative Council office.

Dr. Etemad provided information regarding the mission of Lake Region State College and the college's accomplishments relating to the recommendations of the Higher Education Roundtable. The information is included in the committee's tour packet. She said Lake Region State College is a student-centered, open-access, comprehensive community college within the North

Dakota University System. She said the college provides quality academic education, vocational and technical training, educational outreach opportunities, and lifelong learning. She said the college's accomplishments relating to the recommendations of the Higher Education Roundtable include:

- The receipt of \$450,000 of centers of excellence funding for the Dakota Center for Technology-Optimized Agriculture. The center is to create more high-end jobs, develop new sources of research revenue, birth technology-optimized products, increase net margins of North Dakota producers, and respond to the need for technological inputs that preserve fragile ecosystems. (Economic Development Connection)
- Top marketing students on the state and international level. (Educational Excellence)
- Focusing programming to meet service area needs. (Flexible and Responsive)
- Providing classes to students who are place-bound or career-bound. (Accessible System)
- Providing presentations regarding the Higher Education Roundtable to service organizations, foundation board of directors, and local policymakers. (Sustaining the Vision)

Mr. Doug Darling, Vice President of Instructional Services, Lake Region State College, provided information regarding the college's programs. The information is included in the committee's tour packet. He said since 2002 the college has trained an additional 117 peace officers through its academy offered in partnership with the Fargo Police Department. He said the college has collaborated with other two-year higher education institutions to form the Dakota Nursing Consortium. He said the college offers unique programs such as simulator maintenance technician program, speech language pathology assistant program, and American sign language and interpreting studies program.

Ms. Holly Mawby, Workforce Training Manager, Lake Region State College, provided information regarding the northeast workforce training region. The information is included in the committee's tour packet. She said the northeast workforce training region's activity is summarized as follows:

	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006 ¹
Number of courses	116	120	199	214	205
Number of participants (duplicated)	1,823	1,603	1,481	1,089	1,803
Number of training hours	15,508	15,262	12,336	13,878.25	11,329.75
Number of businesses (unduplicated)	102	199	188	125	92

¹Figures through the third quarter of fiscal year 2006.

Ms. Mawby said in response to the request for information regarding the number of businesses served by the northeast workforce training region compared to the other workforce training regions, the northeast workforce training region believes it is improving incrementally each year. She said the region has made changes to its operational plan and daily activities to boost its level of services and face-to-face outreach.

In response to a question from Representative Ekstrom, Ms. Mawby said additional funding for the northeast workforce training region would enable the region to employ more staff and reach more businesses.

Ms. Laurel Goulding, Vice President for Student Services and Advancement, Lake Region State College, provided information regarding the college's current enrollment and long-term enrollment management plans. The information is included in the committee's tour packet. She said the college's fall 2005 enrollment is summarized as follows:

	Fall 2004	Fall 2005	Increase (Decrease)
Headcount enrollment	1,464	1,471	7
Full-time equivalent enrollment	692	692	0
Full-time enrollment	416	409	(7)
Part-time enrollment	1,018	1,062	14
Total credits produced	11,072	11,070	(2)

Ms. Goulding said in regard to long-term enrollment management plans, the college has established targeted strategies for each enrollment stream--campus-based, Grand Forks Air Force Base, early entry (dual credit), and distance delivery. She said the strategies will include expanding online course offerings, strengthening retention strategies, transitioning larger numbers of dual-credit students to degree-seeking students, and expanding recruitment efforts for specialty programs.

In response to a question from Representative Aarsvold, Ms. Goulding said she is not aware of any problems with early-entry students transferring credits.

In response to a question from Representative Delmore, Ms. Goulding said the college utilizes college faculty and high school teachers to deliver dual-credit classes.

In response to a question from Representative Aarsvold, Dr. Etemad said the college's accrediting agency does review the college's dual-credit program.

Mr. Daniel J. Driessen, Director of Continuing Education, Lake Region State College, provided information regarding dual credit, distance education, and community education. The information is included in the committee's tour packet. He said the college is the state's largest provider of dual-credit classes to high school juniors and seniors. He said the college had 457 dual-credit students for the fall 2005 semester and 409 dual-credit students for the spring 2006 semester. He said the college has over 80 approved dual-credit instructors. He said the college has three interactive video network

classrooms on campus and hosts one interactive video network classroom at the School for the Deaf. He said the college provides community education (noncredit) classes each semester. He said some of the more popular classes include culinary school, walleye university, home buyer education, and gardening classes. He said for the fall of 2005 the college offered 16 classes with 170 participants and for the spring of 2006 the college offered 24 classes with 270 participants.

In response to a question from Senator Robinson, Dr. Etemad said distance education students are assessed an additional fee.

Dr. Etemad provided information regarding the status of the 2005-07 budget and the North Dakota University System long-term financing plan. The information is included in the committee's tour packet. She said the college received \$400,000 from the State Board of Higher Education's distribution of the \$2 million equity pool appropriated by the 2005 Legislative Assembly. She said the funding is being used for faculty and staff salary increases, new faculty and staff, and new investment opportunities. She said with the additional funding, the college is funded at approximately 48.4 percent of its peer benchmark and is the furthest of the University System institutions from its peers as a percentage of state appropriation support.

Mr. Don Jorgenson, Physical Plant Director, Lake Region State College, provided information regarding capital improvements for the 2005-07 biennium and anticipated 2007-09 capital improvement needs. The information is included in the committee's tour packet. He said the 2005 Legislative Assembly provided \$343,875 from the general fund for renovation of the science laboratory area. He said the renovation of the area will begin on May 15, 2006. He said anticipated capital improvement needs for the 2007-09 biennium include a wind energy project and a cold storage garage addition.

In response to a question from Representative Ekstrom, Dr. Etemad said the estimated payback period for the wind energy project is 10 years.

The committee conducted a tour of Lake Region State College facilities, including North Hall, the science laboratory area, Erlandson Building, and Robert Fawcett Auditorium.

COMMITTEE DISCUSSION AND STAFF DIRECTIVES

The Legislative Council staff presented a memorandum entitled [Higher Education Funding and Accountability Study - Final Report Summary Information](#). The memorandum provides a summary of the requirements provided for in the request for proposal for the higher education funding and accountability study and the corresponding MGT of America, Inc., final report page references, observations and findings, and recommendations.

In response to a question from Senator Flakoll, the legislative budget analyst and auditor said the MGT of

America, Inc., final report will be provided to members of the Legislative Council when the report has been accepted by the Higher Education Committee.

It was moved by Senator Nething, seconded by Representative Nottestad, and carried on a roll call vote that the Higher Education Committee accept the MGT of America, Inc., final report on the higher education funding and accountability study for the purpose of authorizing the final contract payment.

Senators Holmberg, Flakoll, Grindberg, Lindaas, Nething, and O'Connell and Representatives Aarsvold, Bellew, Delmore, Ekstrom, Martinson, Nottestad, and Zaiser voted "aye." No negative votes were cast.

It was moved by Representative Bellew, seconded by Representative Delmore, and carried

on a voice vote that the committee adjourn subject to the call of the chair. The meeting was adjourned at 12:00 noon.

Roxanne Woeste
Senior Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

[ATTACH:1](#)