

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

HIGHER EDUCATION COMMITTEE

Wednesday and Thursday, September 26-27, 2007
Heritage Center Auditorium
612 East Boulevard Avenue
Bismarck, North Dakota

Representative Ken Svedjan, Chairman, called the meeting to order at 9:05 a.m.

Members present: Representatives Ken Svedjan, Lois Delmore, Kathy Hawken, Matthew M. Klein, Bob Martinson, Jasper Schneider, Bob Skarphol, John D. Wall, Clark Williams; Senators Ray Holmberg, Karen K. Krebsbach, Elroy N. Lindaas, Dave Nething, Dave Oehlke, Tracy Potter, Larry J. Robinson

Others present: Curt Hofstad, State Representative, Devils Lake

Dennis Johnson, State Representative, Devils Lake

Joan Heckaman, State Senator, New Rockford

John M. Warner, State Senator, Ryder

See the attached [appendix](#) for additional persons present.

Representatives Rick Berg, Merle Boucher, Al Carlson, and Jeff Delzer and Senator David O'Connell, members of the Legislative Council, were also in attendance.

It was moved by Senator Robinson, seconded by Representative Skarphol, and carried on a voice vote that the minutes of the August 1, 2007, meeting be approved as distributed.

HIGHER EDUCATION POLICY SUMMIT

Chairman Svedjan welcomed representatives of the State Board of Higher Education, North Dakota University System office, North Dakota University System higher education institutions, private and tribal colleges, state government, and private sector who joined the committee for a higher education policy discussion. He said the discussion during the two-day meeting will focus on higher education human capital and efficiency and effectiveness issues.

North Dakota's Higher Education Challenges and Opportunities

Chairman Svedjan called on Mr. Dennis Jones, President, National Center for Higher Education Management Systems, to provide information regarding the challenges and opportunities ahead for North Dakota in building a strong workforce for the 21st century. A copy of the [information presented](#) is on file in the Legislative Council office. Mr. Jones made the following observations:

- North Dakota is **close to the national average** for the percentage of adults aged 25 to 64 with a bachelor's degree.
- North Dakota's percentage of civilians aged 25 to 64 participating in the workforce is **higher than the national average**.
- North Dakota's population is estimated to decline by 3.3 percent from 2000 to 2025 while the nation's population is estimated to increase by 24 percent for the same period.
- North Dakota's personal income per capita was \$31,395 in 2005, **\$3,191 less than the national average** of \$34,586.
- North Dakota's difference in median earnings between a high school diploma and an associate's degree is \$6,115, **\$4,077 less than the national average** of \$10,192.
- North Dakota's difference in median earnings between a high school diploma and a bachelor's degree is \$10,192, **one-half the national average** of \$20,384.
- North Dakota ranks high in the percentage of adults with a high school diploma and an associate's degree, but the **state ranks low in the percentage of adults with a bachelor's degree** or higher. The following is a summary of North Dakota's educational attainment, including national ranking:

North Dakota's Educational Attainment (Adults Aged 25 to 64)	Percentage	National Ranking
High school diploma	94.1%	1 st
Associate's degree	13.2%	1 st
Bachelor's degree	29.2%	19 th
Graduate or professional degree	7.6%	43 rd

- The following is a summary of the percentage of adults with an associate's degree or higher by age groups for North Dakota, the United States, and other leading countries:

	Adults Aged 25 to 34	Adults Aged 35 to 44	Adults Aged 45 to 54	Adults Aged 55 to 64
North Dakota	47.3%	43.1%	43.0%	33.8%
United States	39.0%	39.4%	40.7%	36.2%
Canada	53.3%	47.0%	41.4%	34.5%
Japan	51.6%	45.1%	32.7%	19.2%
Korea	49.1%	33.5%	16.4%	9.7%
Sweden	42.3%	35.7%	32.9%	27.3%
Belgium	40.7%	35.7%	32.9%	27.3%
Ireland	40.4%	28.9%	21.5%	23.2%
Norway	39.2%	34.1%	29.4%	23.2%

- The percentage of North Dakota's population aged 18 to 24 without a high school diploma is 11.9 percent less than **the national average** of 19.6 percent.
- The following is a summary of the percentage of total gross state product by industry for North Dakota and the United States (Source: Bureau of Labor Statistics):

	North Dakota (1997)	North Dakota (2004)	United States (2004)
Agriculture, forestry, and fishing	6.6%	4.9%	1.0%
Mining	2.2%	2.3%	1.3%
Construction	4.4%	4.6%	4.6%
Manufacturing	10.2%	10.4%	12.8%
Transportation and utilities	7.5%	6.8%	5.0%
Wholesale trade	7.9%	8.0%	5.9%
Retail trade	8.3%	7.6%	6.8%
Finance, insurance, and real estate	12.8%	14.7%	20.8%
Services	23.9%	24.7%	29.9%
Government	16.1%	16.0%	11.9%

- The percentage of North Dakota's population aged 25 to 64 participating in the workforce is 82.7 percent, **exceeding the national average** of 75.9 percent.
- The number of high school graduates in North Dakota is projected to decrease from 8,931 in 2000-01 to **5,552** in 2017-18.
- North Dakota's three-year graduation rate at two-year colleges is 34.1 percent, **exceeding the national average** of 29.3 percent.
- North Dakota's six-year graduation rate at four year colleges is 49.4 percent **less than the national average** of 55.8 percent.

Mr. Jones said North Dakota:

- Produces the talent for a growing economy but lacks the capacity to use the talent.
- Must diversify and expand its economy and manage population shifts to the four largest cities.
- Should also consider aligning high school curriculums with university entrance requirements and address college affordability, as the lack of adequate financial aid may require students to quit

their education or move out of state for higher-paying jobs.

- Must link higher education and the Department of Commerce to address workforce needs.
- Must deliver educational programs where the needs are.

In response to a question from Representative Hawken, Mr. Jones said the structure of university educational programs is important in regard to student preparation for entering the workforce. He said educational programs should have an entrepreneurial environment.

In response to a question from Representative Skarphol, Mr. Jones said North Dakota needs to have an overall plan for higher education and economic development funding.

In response to a question from Representative Svedjan, Mr. Jones said North Dakota needs to determine how to make educational opportunities available in areas without a higher education institution.

In response to a question from Senator Holmberg, Mr. Jones said the state can facilitate higher education meeting the state's workforce needs by providing a pool of money to be used for priority areas.

In response to a question from Representative Williams, Mr. Jones said North Dakota could provide core funding to higher education institutions and separate funding for high priority needs.

In response to a question from Senator Potter, Mr. Jones said affordability may be a factor in the state's low student retention rates.

In response to a question from Senator Lindaas, Mr. Jones said active participation from the state's private sector is critical for a successful North Dakota University System. He said the Higher Education Round Table is the vehicle to discuss these issues, with more involvement from the kindergarten through grade 12 community.

Representative Berg said the Higher Education Committee and North Dakota University System need to consider ways to create high-value private sector jobs to take advantage of the state's educated population and to stop outmigration.

The committee recessed for lunch at 12:25 p.m. and reconvened at 1:30 p.m.

North Dakota's Workforce Challenges and Opportunities

Chairman Svedjan called on Dr. Dolores Mize, Director of Policy Analysis and Research, Western Interstate Commission on Higher Education, to provide information regarding the current and future demand for a skilled workforce in North Dakota. A copy of the [information presented](#) is on file in the Legislative Council office. Dr. Mize said North Dakota has several positive indicators regarding the state's educational system and economic development efforts, including ranking 3rd in the nation in high school graduation rates, 3rd in the nation in the

percentage of high school graduates going directly to college, and 17th in the nation in three-year associate's degree graduation rates. She said the state has some less positive indicators, including ranking 35th in the nation in six-year bachelor's degree graduation rates, 49th in the nation in the migration of college graduates aged 22 to 64, 37th in the nation in the difference in per capita income between an associate's degree holder and a bachelor's degree holder, and 48th in the nation in the difference in per capita income between a high school graduate and a bachelor's degree holder. She said the state needs to address the following questions:

- What can North Dakota do to keep its college graduates in the state?
- Are associate's degree holders paid too well, or are the bachelor's degree holders not paid enough?
- How can North Dakota add value to the bachelor's degree?

Dr. Mize said North Dakota needs to capitalize on its strengths and mitigate its weaknesses. She said the state should consider conducting sophisticated market research to learn what young people need out of North Dakota in order to stay and make the state their home and creating a strategic-focused initiative to bring together public and private interests.

In response to a question from Representative Wall, Dr. Mize said the Oklahoma Board of Regents has set a "cut score" based on ACT scores for remediation education requirements.

The Maryland Effectiveness and Efficiency Initiative

Chairman Svedjan called on Dr. William Kirwan, Chancellor, University System of Maryland, to provide information regarding the implementation and the results of the Effectiveness and Efficiency Initiative embarked upon by the University System of Maryland. A copy of the [information presented](#) is on file in the Legislative Council office. Dr. Kirwan said the University System of Maryland is comprised of 11 universities, 2 research universities, 2 regional higher education centers, and a system office. He said the system is governed by a 17-member board of regents who are appointed by the Governor.

Dr. Kirwan said the University System of Maryland experienced unprecedented challenges during the 2003-04 academic year, including declining state aid, increasing enrollment demands, and increasing demands from the private sector. As a result, he said, the University System of Maryland developed and launched an Effectiveness and Efficiency Initiative in the fall of 2004 to achieve savings for redirection to the system's highest priorities, including preserving and building the quality of system institutions, addressing enrollment demands, enhancing the academic opportunities and services available to students, and moderating tuition increases.

Dr. Kirwan said the first phase of the Effectiveness and Efficiency Initiative included the following action items to build capacity to address increasing enrollment demands and to reduce costs and fund quality:

Action Items to Build Capacity to Address Increasing Enrollment Demands	Action Items to Reduce Costs and Fund Quality
Increase faculty workload across the system by 10 percent	Centralize "shared services," such as audit, construction management, and real estate development
Limit the time to degree for most educational programs to 120 credits	Leverage the system's buying power for major commodities to drive down prices
Require students to complete 12 credits outside the traditional classroom experience, including online courses and out-of-classroom learning	Streamline student services functions to eliminate unnecessary duplication
Maximize the utilization of the system's comprehensive institutions	Review organizational structure of special purpose institutions

Dr. Kirwan said the first phase of the Effectiveness and Efficiency Initiative resulted in mitigated tuition increases for fiscal year 2005 and flat tuition rates for fiscal years 2006 through 2008. He said the system has experienced \$60 million in cost-savings relating to the first phase of the initiative in fiscal years 2005 through 2008. He said the system has also accommodated 25 percent of projected enrollment growth over three years with the state paying for its share of the cost for the growth in excess of 25 percent.

Dr. Kirwan said the University System of Maryland is in the process of implementing a second phase of the Effectiveness and Efficiency Initiative. He said the second phase includes transforming the academic model by condensing and combining degree programs, enhancing online education strategies, redesigning courses, piloting a trimester model, and expanding regional higher education centers. He said the second phase also includes transforming the administrative model by reviewing transaction processing cycles, implementing e-billing best practices, developing a procurement web site, and implementing short-term and long-term energy conservation measures.

Dr. Kirwan said the Effectiveness and Efficiency Initiative has allowed the University System of Maryland to ensure accountability through established and easily accessible dashboard indicators. He said the American Association of State Colleges and Universities and the National Association of State Universities and Land-Grant Colleges are in the process of developing a new voluntary system of accountability. He said the new accountability system

will provide parents and students with the information needed to make the best possible decisions.

In response to a question from Representative Svedjan, Dr. Kirwan said limiting degree programs to 120 credit hours has reduced time to degree.

In response to a question from Representative Svedjan, Dr. Kirwan said the state of Maryland has eight regional higher education centers, including two in the University System of Maryland. He said the centers are designed to ensure access to baccalaureate and graduate education in both unserved and underserved areas of Maryland at a reasonable cost to students and the state.

In response to a question from Senator Robinson, Dr. Kirwan said Maryland has 16 community colleges that are governed by local boards of trustees.

In response to a question from Representative Svedjan, Dr. Kirwan said Maryland's Effectiveness and Efficiency Initiative evolved because of certain pressures in Maryland, including declining state aid, increasing enrollment demands, and increasing demands from the private sector.

In response to a question from Senator Holmberg, Dr. Kirwan said the University System of Maryland has strong articulation agreements with the state's community colleges.

In response to a question from Representative Skarphol, Dr. Kirwan said competition between higher education institutions can improve certain aspects of institutions. He said it is important for institutions to not over emphasize merit-based financial aid at the expense of needs-based financial aid.

In response to a question from Representative Klein, Dr. Kirwan said the University System of Maryland is redesigning courses and transforming curriculum based upon the National Center for Academic Transformation model. He said the National Center for Academic Transformation is an independent nonprofit organization dedicated to the effective use of information technology to improve student learning outcomes and reduce the cost of higher education.

The committee recessed at 4:55 p.m. and reconvened at 6:30 p.m. at the Best Western Doublewood Inn, 1400 East Interchange Avenue, Bismarck, for a dinner hosted by the Midwestern Higher Education Compact and continued discussion with presenters regarding higher education policy issues.

Chairman Svedjan called on Mr. Larry Isaak, President, Midwestern Higher Education Compact, to provide information regarding the Midwestern Education to Workforce Policy Initiative and to facilitate a discussion regarding the information previously presented. Mr. Isaak said the Midwestern Education to Workforce Policy Initiative is a collaborative project of the Midwestern Higher Education Compact, Midwestern Legislative Conference, and Midwestern Governors Association with significant funding from the Lumina Foundation for Education. Under the initiative, he said, states will

plan and hold a roundtable involving a cross section of individuals from education, business, and the legislative and executive branches to formulate a seamless and comprehensive education and workforce preparation system reflecting the state needs.

Mr. Thomas Barnhart, faculty member, State Board of Higher Education, said the North Dakota University System may be able to assist with the revitalization of rural areas.

Senator Nething said North Dakota is doing a number of things right in the area of higher education. He said the state needs to remember to listen to the needs of the private sector.

Dr. Lee Vickers, President, Dickinson State University, said North Dakota does not provide adequate needs-based support to students, so many students work while attending college. He said the state needs to increase the rigor for kindergarten through grade 12 education, provide more kindergarten through grade 12 teachers and counselors, increase funding for the North Dakota University System, and listen to the needs of the private sector.

Mr. Jones said critical success factors for higher education in North Dakota include developing a clear sense for the vision of the state, establishing appropriate accountability measures, creating a mechanism to invest in priorities, and creating a mechanism for keeping discussions going.

Dr. Kirwan said it is important to create a statewide plan for the vision of the state, including benchmarks and accountability measures. He said the University System of Maryland has changed its budget request format to tie funding requests to specific initiatives for the state.

The committee recessed at 8:30 p.m.

The committee reconvened at 8:00 a.m. on Thursday, September 27, 2007, in the Heritage Center Auditorium.

A Framework for Transformation and Innovation

Chairman Svedjan called on Ms. Julie Davis Bell, Education Program Director, National Conference of State Legislatures (NCSL), to provide information regarding the recent NCSL Blue Ribbon Commission on Higher Education report *Transforming Higher Education: National Imperative - State Responsibility* relating to the framework for transforming higher education and implementing reform. A copy of the [information presented](#) is on file in the Legislative Council office. Ms. Bell said in 2005, NCSL appointed a 12-member Blue Ribbon Commission on Higher Education consisting of six Democrat and six Republican legislators. She said the members met over 18 months to study, debate, and discuss higher education performance; the challenges facing states, students, and institutions; and the role of the legislature in creating some of the problems and in leading to solutions for the future.

Ms. Bell said the report calls upon legislators to seize the opportunity to lead the higher education reform movement in the states by prioritizing higher education on the legislative agenda, approaching fiscal and policy decisions in a different way, and exerting strong leadership. She said the report's recommendations are summarized as follows:

- Define clear state goals.
- Identify your state's strengths and weaknesses.
- Know your state demographic trends for the next 10 to 30 years.
- Identify a place or structure to sustain the public agenda.
- Hold institutions accountable for their performance.
- Rethink funding.
- Recommit to affordability, including rethinking student aid and helping students to reduce borrowing and debt.
- Recommit to access and success.
- Embrace innovation.
- Transform the 12th grade.
- Do not forget about adult learners.
- Focus on productivity.

In response to a question from Representative Delmore, Ms. Bell said most states are forming partnerships between kindergarten through grade 12 and higher education to set standards for college readiness and transforming grade 12.

In response to a question from Representative Svedjan, Ms. Bell said the report is first and foremost a report by state legislators for state legislators about the importance of prioritizing state higher education as part and parcel of state economic development strategies.

In response to a question from Representative Svedjan, Ms. Bell said approximately one-third of the states have a separate standing committee for higher education issues.

Policy Implications and Strategies

Chairman Svedjan called on Mr. Isaak to provide information on North Dakota higher education trends and policy implications. A copy of the [information presented](#) is on file in the Legislative Council office. Mr. Isaak said increasing educational attainment, quality, and productivity are imperative issues for the United States. He said 7.3 million additional degrees are needed for the United States to have the highest rate of college degree attainment in the world. He said competition for workers in the United States will continue to intensify with 3 million more jobs than workers by the year 2012.

Mr. Isaak said the United States needs to address the following major policy issues:

- Ensuring every citizen has access to and ability to succeed in postsecondary education.
- Using higher education assets more effectively to address needs.

- Providing a major focus on public policy and less focus on fixing broken campuses.

Mr. Isaak said significant facts relating to North Dakota include:

- High school credentialing rate among highest in the nation.
- Percentage of adults with a bachelor's degree near the regional average.
- Individuals aged 18 to 24 enrolled in college is one of the highest rates in the nation.
- Student retention from first to second year at public colleges lowest in the region.
- Six-year college graduation rate lowest in the region.
- A low-to-moderate tuition state.
- Second highest appropriations per capita but second lowest in the region in appropriations per full-time equivalent student.

Mr. Isaak said a major issue for North Dakota's continued economic success is to increase the proportion of its population with college degrees and to simultaneously grow its population and retain its workforce. He said this will require adequate high school preparation, maintaining or growing college enrollment, improving college retention and completion rates, making college affordable, matching degree opportunities with jobs, and maintaining a culture that accepts risk-taking by leaders.

In response to a question from Representative Svedjan, Mr. Isaak said the North Dakota University System needs to make sure degree opportunities match job opportunities, including opportunities created by the centers of excellence program.

Responses, Observations, and Reactions

Chairman Svedjan facilitated an open dialogue for participants to reflect upon the previous presentations.

Senator Potter said the committee must keep students' best interests in mind and remember that the state is trying to educate students for the student's benefit, not the state's. He said maybe rural colleges should be priced less to encourage enrollments.

Senator Oehlke said providing counseling services to students in kindergarten through grade 12 is important so students are aware of career opportunities available to them and the educational requirements.

Representative Delmore requested the Legislative Council staff provide the committee with information regarding P-16 initiatives in other states in the region, including the membership and goals and objectives.

Senator Robinson said the North Dakota University System is doing a number of things right and the state must remember to engage the private sector. He said several trends are unfavorable, including student retention rate, student costs, and institutional funding.

Senator Holmberg said the state has established a good foundation and needs to continue communications with students and the private sector.

Representative Schneider said North Dakota is not yet in a crisis and the state needs to remember the focus is on our children and the students.

Representative Martinson said there needs to be better communication between the Legislative Assembly and the State Board of Higher Education. He suggested a joint meeting between the Higher Education Committee and the State Board of Higher Education.

Representative Hawken said many things are in place. She said the board, the committee, and the private sector need to discuss where we are as a state and where we need to go.

Representative Skarphol said communication needs to improve between the Legislative Assembly and the State Board of Higher Education. He said the state may want to consider investing in the businesses created through the centers of excellence program.

Senator Lindaas said there is no better investment than an investment in education.

Representative Carlson suggested the Higher Education Committee have a joint meeting with the State Board of Higher Education to discuss the issues identified at this meeting.

Mr. William G. Goetz, Chancellor, North Dakota University System, thanked the committee for its attention to higher education policy issues. He said the State Board of Higher Education has approved the following objectives for fiscal year 2008:

- Work with legislative, executive, private sector, and other P-16 partners to revitalize and enhance the collaborative roundtable process as a means of engaging key stakeholders in critical policy discussions.
- Provide passionate, proactive leadership in addressing North Dakota demographic challenges and opportunities, including strengthening P-16 collaborative partnerships, engaging in collaborative efforts addressing workforce issues, and enhancing communication.
- Anticipate, create, and contribute to the economic and social vitality of North Dakota through investments to attract, develop, and retain a world-class workforce; meet current and anticipated workforce needs through academic programs, training, and cutting-edge research; and provide opportunities for lifelong learning.
- Improve student transition and success through collaborative partnerships, comprehensive advising, and other strategies that promote retention and progression.
- Ensure an efficient, responsive, and accountable system of higher education, both individually and collectively.
- Develop and implement a comprehensive plan to communicate North Dakota University System accomplishments and challenges.

Mr. John Q. Paulson, President, State Board of Higher Education, said the board would welcome the opportunity to participate in a joint meeting with the Higher Education Committee.

Senator Heckaman said the state needs to include tribal colleges in higher education discussions.

Mr. James Davis, President, Turtle Mountain Community College, said the tribal colleges and the North Dakota University System should have more communication and collaboration.

Mr. Don Hedger, Chief Executive Officer, Killdeer Mountain Manufacturing, Inc., said the state should continue the Higher Education Roundtable.

The committee recessed for lunch at 11:30 a.m. and reconvened at 1:00 p.m.

Another Framework for Transformation and Innovation

Chairman Svedjan called on Mr. Christopher Hayter, Program Director for Economic Development, National Governors Association, to provide information via the telephone, regarding the National Governors Association report *A Compact for Postsecondary Education* relating to the need to transform higher education in order to ensure an effective workforce for the 21st century. A copy of the [information presented](#) is on file in the Legislative Council office. Mr. Hayter said while the current United States postsecondary system is widely admired, the system that has flourished historically may not be the one for the 21st century. He said as the world economy becomes more global, more technology-driven, and more knowledge-based, more is being asked of our postsecondary education system. He said major characteristics of a postsecondary system for the 21st century include:

- Globally focused.
- Linked to the needs of the state.
- Innovation-driven.
- Quality-oriented.
- Collaborative, transparent, and open.
- Adaptable, flexible, and market-driven.
- Innovative and entrepreneurial.
- Accessible.
- Accountable.
- Clear articulation and coordination of missions among individual colleges and universities.

Mr. Hayter said the National Governors Association report *A Compact for Postsecondary Education* introduces a new vehicle for aligning postsecondary education to state economies--a postsecondary education compact. Through the compact, he said, state governments, the postsecondary education system, the board of regents, and the private sector collaboratively embrace a public agenda to ensure that postsecondary education policies, programs, curricula, and resources address current, emerging, and future economic realities. He said the following steps are critical in developing a compact:

1. Determine the economic needs of the state.
2. Understand the state postsecondary education system.
3. Establish high-quality data systems.
4. Work with stakeholder groups.

Setting Priorities for the Future

Chairman Svedjan called on Mr. Isaak to facilitate a discussion to identify North Dakota's policy priorities for the future and appropriate next steps.

Senator Nething said the Legislative Council staff should provide the committee with information regarding initiatives suggested by previous presenters and whether the state has implemented a similar initiative.

Representative Wall said students are not adequately prepared for college. He said remedial education should be a policy priority. He said the North Dakota University System should provide information as to who is being provided remedial courses--by subject, campus, and high school--and how North Dakota compares with other states.

Senator Lindaas suggested a revival of the Higher Education Roundtable with more involvement from the kindergarten through grade 12 community.

Representative Skarphol suggested the committee review information regarding funding comparisons with other states, including the possibility of receiving funding information from nontraditional sources.

Senator Potter said affordability and student financial aid should be a policy priority.

Senator Krebsbach said effectiveness, efficiency, and clear expectations should be policy priorities.

Senator Robinson said the state needs to develop a clear vision for the North Dakota University System.

Representative Hawken suggested the committee receive information regarding the cost of early testing of students for college readiness and initiatives relating to the transformation of grade 12.

Senator Oehlke said consideration should be given to establishing institutional standards so that prospective college students know what is expected of them.

Representative Svedjan suggested the committee receive information regarding the reasons why students are dropping out after the first and second years of college.

Senator Robinson suggested the committee review whether the current University System funding model is relevant or if a different funding model is a better fit.

Senator Nething said flexibility should be a policy priority. He said the committee should consider the level of flexibility that can be provided without jeopardizing institutional accreditation.

Senator Potter suggested the committee review the level of bureaucracy within the North Dakota University System, including the level of funding spent on academic versus administrative costs.

Senator Robinson said he is concerned with how long the University System can sustain quality education with low faculty salaries.

Senator Nething asked that the Legislative Council staff provide the committee with information regarding University System executive compensation, including information on recent actions by the State Board of Higher Education.

Representative Martinson suggested the committee review whether the structure of the North Dakota University System, including the State Board of Higher Education, matches the needs and expectations of the state.

Representative Klein suggested the committee review information regarding the National Center for Academic Transformation model for redesigning courses and transforming curriculum.

Mr. Isaak summarized the suggested policy priority areas as follows:

- Student preparation, including a seamless transition from high school to college and the need for remedial education.
- Student retention and completion.
- A vision for and expectations of the North Dakota University System.
- Effectiveness and efficiency.
- Engagement with a broad spectrum of stakeholders.
- The University System funding model, including whether a different model may be more appropriate.
- Higher education funding comparisons with other states.
- Accountability measures.
- An appropriate higher education structure for the 21st century.
- Accessibility.
- Affordability in terms of students and taxpayers.
- Maintaining education quality in a flexible environment.
- Redesigning courses and transforming curriculum.

COMMITTEE DISCUSSION AND STAFF DIRECTIVES

Chairman Svedjan said the next meeting of the Higher Education Committee is tentatively scheduled for Tuesday or Wednesday, December 4 or 5, 2007. He said members of the State Board of Higher Education and the chairman of the interim Workforce Committee will be invited to join the committee for the meeting.

Representative Skarphol suggested the committee receive information regarding the centers of excellence program at a future committee meeting.

It was moved by Representative Skarphol, seconded by Representative Hawken, and carried on a voice vote that the committee adjourn subject to the call of the chair. The meeting was adjourned at 2:40 p.m.

Roxanne Woeste
Senior Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1