

# NORTH DAKOTA LEGISLATIVE MANAGEMENT

## Minutes of the

### HIGHER EDUCATION COMMITTEE

Thursday, April 1, 2010  
House Chamber, State Capitol  
Bismarck, North Dakota

Representative Bob Skarphol, Chairman, called the meeting to order at 8:30 a.m.

**Members present:** Representatives Bob Skarphol, Lois Delmore, Mark A. Dosch, Kathy Hawken, Brenda Heller, Dennis Johnson, Nancy Johnson, RaeAnn G. Kelsch, Joe Kroeber, Bob Martinson, Darrell D. Nottestad, Kenton Onstad, Clark Williams; Senators John M. Andrist, Tim Flakoll, Tony S. Grindberg, Karen K. Krebsbach, Dave Nething, David O'Connell, Larry J. Robinson, Tom Seymour

**Members absent:** Representative Ken Svedjan; Senators Ray Holmberg, Elroy N. Lindaas

**Others present:** Jim W. Smith, Legislative Council, Bismarck

Representative David Monson, member of the Legislative Management, was also in attendance.

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

**It was moved by Senator Robinson, seconded by Representative Nottestad, and carried on a voice vote that the minutes of the March 2, 2010, meeting be approved as distributed.**

Chairman Skarphol announced the following private sector members would be serving on the Higher Education Roundtable:

- Dr. John T. Hamilton, Williston.
- Mr. Mike Jacobs, Grand Forks.
- Mr. Dave Farnsworth, Bismarck.
- Mr. Bob Wetsch, Mandan.
- Mr. David Batcheller, Fargo.
- Mr. Keith Hovland, Valley City.
- Mr. Don Morton, Fargo.
- Mr. Joe Rothschilder, Dickinson.
- Mr. John Bertel, Fargo.
- Mr. Tom Ross, Minot.
- Mr. Robert Harms, Bismarck.
- Mr. Earl Strinden, Grand Forks.
- Mr. Wayne Biberdorf, Williston.

Chairman Skarphol welcomed the private sector members of the roundtable in attendance and invited them to join the committee in discussions regarding higher education issues. He said additional private sector members may also be appointed to serve on the roundtable.

Chairman Skarphol called on Dr. David Breneman, Professor of Economics and Education, University of Virginia, Charlottesville, Virginia, to present information regarding the future of higher education.

Dr. Breneman said there has been a general decline in state funding for higher education. However, he said, some states are increasing funding for student financial aid programs. He said some state student financial aid programs are used to encourage students to remain in the state following graduation from college.

Dr. Breneman said even though most states have recently reduced funding for higher education, North Dakota has provided significant increases in higher education funding. He said North Dakota has an opportunity to use its current positive financial condition to encourage businesses to relocate to the state, which will encourage more students to remain in state following graduation from college. He said it is important to link higher education programs to the needs of the economy.

Dr. Breneman said financial concerns in other states will force changes in higher education. He said reduced funding for higher education will increase the efficiency and effectiveness of programs. He said higher education in North Dakota should also be innovative even though the state is in a positive financial position.

In response to a question from Mr. Farnsworth, Dr. Breneman said there are two theories regarding why the cost of education has increased at a rate faster than other sectors of the economy. He said the first theory is that higher education has a greater percentage of labor costs compared to other industries. He said the second theory is that higher education institutions generally spend all funding that they receive.

In response to a question from Mr. Morton, Dr. Breneman said some higher education institutions supplement state support and tuition revenue with other sources of funding. He said some universities rely on endowments to provide for a portion of program costs.

Dr. Breneman said the public perception of higher education is that higher education institutions are more focused on finances than educating students. He said it is important for institutions to demonstrate that costs can be lowered and efficiencies achieved. He said an emphasis on institutional missions and setting priorities for higher education can lead to greater efficiencies.

In response to a question from Mr. Batcheller, Dr. Breneman said it is important to use the correct measures when evaluating the use of performance

funding. He said student completion rates may be an effective measure.

In response to a question from Senator Flakoll, Dr. Breneman said some external factors can influence academic programs. He said recent external initiatives have placed an emphasis on programs involving science, technology, engineering, and mathematics.

In response to a question from Mr. Farnsworth, Dr. Breneman said programs should be reviewed to ensure that workforce demand is present for the programs. He said students need to be aware of career opportunities associated with the completion of an academic program.

In response to a question from Representative Onstad, Dr. Breneman said collaboration among the various levels of education is important. He said students graduating from high school need to be prepared for college.

Mr. Larry A. Isaak, President, Midwestern Higher Education Compact, Minneapolis, Minnesota, presented information regarding college access and success. He said college access and success are important because the economy requires an educated workforce. He said there is global competition for educated workers.

Mr. Isaak said higher education systems should place an emphasis on students completing programs. He said alternative education delivery methods may be utilized to improve student completions.

A copy of the information presented by Mr. Isaak is on file in the Legislative Council office.

In response to a question from Senator Andrist, Mr. Isaak said institutions are under pressure to increase enrollments, which economically benefits a community. He said successful colleges in the future will be sought after due to quality programs and high completion rates.

In response to a question from Representative Kelsch, Mr. Isaak said a successful core program should be the foundation for a four-year degree. He said program courses beyond the core program need to be evaluated to determine relevance to the academic program.

In response to a question from Mr. Farnsworth, Mr. Isaak said students need to be accountable for decisions they make. He said an emphasis should be placed on career advising in high school to help students understand future career options.

In response to a question from Senator Grindberg, Mr. Isaak said many online students are also taking classes on campus. He said charges for online classes should be set at an appropriate level.

In response to a question from Mr. Hovland, Mr. Isaak said some higher education institutions will need to adopt new models of education delivery in order to maintain revenues and viability.

In response to a question from Dr. Hamilton, Mr. Isaak said some standardization has occurred in education programs across institutions. He said a common course numbering system has provided

consistency in classes at North Dakota University System institutions.

In response to a question from Mr. Bertel, Mr. Isaak said higher education governing boards need to be active in increasing the enrollment of nontraditional students. He said policies should also be developed to increase the enrollment of students that may have some education, but no degree.

In response to a question from Representative Skarphol, Mr. Isaak said the Legislative Assembly should define state priorities for higher education and communicate the priorities to colleges and universities. He said measures should be used to determine the success of meeting the goals and priorities.

Mr. Morton said it is important for institutions to have the ability to quickly determine when an initiative is not successful.

Representative Kelsch said policies for education should recognize an increased level of diversity in student populations.

Mr. Isaak said special initiatives may be developed to address unique needs of education in the state. He said an initiative could be developed to improve completion rates of students from certain ethnic backgrounds.

Mr. Isaak said it is important to be aware of the competition in higher education and the workforce. He said the competition for an educated workforce is now global.

Mr. Hovland said the state needs to react quickly to changes and adapt to the future environment of education.

Chairman Skarphol asked the private sector members of the Higher Education Roundtable to consult with their colleagues to determine areas of higher education to review at future meetings.

The committee recessed for lunch at 11:50 a.m. and reconvened at 12:45 p.m.

Mr. William G. Goetz, Chancellor, North Dakota University System, presented information regarding the University System strategic plan. He presented the following strategic plan goals and objectives:

<b>State Board of Higher Education Strategic Plan Goals and Objectives</b>
<p><b>Goal #1 - The University System is accessible--a view held by all North Dakotans.</b></p> <ul style="list-style-type: none"> <li>• Increase the percentage of recent North Dakota high school graduates enrolled in the University System by five percentage points.</li> <li>• Increase the percentage of North Dakota's total young adult population (aged 25 to 34) enrolled in University System institutions for credit to 6 percent.</li> <li>• Increase the percentage of North Dakota's total population (aged 35 to 44) enrolled in University System institutions for credit to 2 percent.</li> <li>• Increase the total number of certificates and associate and baccalaureate degrees awarded by 4 percent.</li> <li>• Increase the total number of graduate and professional degrees awarded by 3 percent.</li> <li>• The percentage of family income in North Dakota needed to pay for community college after deducting grant aid will decrease to the national average.</li> </ul>

**Goal #2 - North Dakotans recognize that the University System is affordable at a level that can be sustained.**

- North Dakota will rank in the top 20 percent of states in per capita support for higher education--a level that is both achievable and sustainable.
- North Dakota will rank in the top 10 percent of the most productive states in total funding per degree/certificate.
- State strategic plan guides allocation of resources to achieve the vision.

**Goal #3 - The University System increases the overall vitality of the state through exceptional education, research, training, and service.**

- Increase completions in targeted, high-potential programs.
- Increase the number of certificates and associate degrees awarded in vocational and technical fields at community colleges by 5 percent.
- Rank first in the nation for the percentage of degrees and certificates awarded in science, technology, engineering, and mathematics fields.
- University System students will perform at or above the national average on all nationally recognized examinations.
- University System students will exceed the national average first-time pass rates on all professional licensure examinations.
- University of North Dakota and North Dakota State University research will, at a minimum, demonstrate overall progress on several research criteria based on an external evaluation, including collaborations in and outside North Dakota, patents, proposals, publications, and new faculty hires.
- The centers of excellence will, at a minimum, meet expectations according to the criteria established by the Centers of Excellence Commission for annual review.
- University System alumni and students will report levels of satisfaction with preparation in their selected major, acquisition of specific skills, and technology knowledge and abilities that exceed the national average.
- Employers will report high/increased levels of satisfaction with the preparation of recently hired University System graduates benchmarked against historical trends.
- Increase the number of businesses served by TrainND workforce training by at least 4 percent.

**Goal #4 - The 11 institutions comprising the University System work together to achieve the vision effectively.**

- The University System will report the number of students who successfully transfer into a degree program at another University System institution.
- University System institutions will benchmark the number of student credit-hours delivered to students attending another University System institution against historical data.
- Integrate the role of each University System institution within the overall system mission and strategic plan.
- Increase awareness of the University System and its institutions through a common, consistent message.
- Increase State Board of Higher Education opportunity for discussion of strategic policy topics.

A copy of the information presented by Mr. Goetz is on file in the Legislative Council office.

Mr. Farnsworth suggested that an objective be added to the University System strategic plan to strengthen partnerships with private industry.

In response to a question from Mr. Farnsworth, Mr. Goetz said institutions have been asked to increase resources dedicated to career counseling and advising. He said higher education needs to work collaboratively with elementary and secondary education to address career advising issues.

In response to a question from Mr. Batcheller, Mr. Goetz said the University System strategic plan could more clearly emphasize the need for increased cooperation with the private sector for research activities, including additional research activity incentives.

Mr. Wetsch suggested information be provided to the Higher Education Roundtable members regarding academic programs at each institution, including student enrollment in each program.

In response to a question from Representative Dosch, Mr. Goetz said the University System strategic plan includes expanding education delivery methods as well as increasing the use of technology.

The Legislative Council staff presented a memorandum entitled [Department of Commerce Draft Economic Development Strategic Plan and State Board of Higher Education Strategic Plan](#). The memorandum provides information regarding University System strategic plan objectives that are related to strategies of the Department of Commerce draft economic development strategic plan.

Chairman Skarphol asked the private sector members of the Higher Education Roundtable to provide suggestions at future meetings for improving efficiency in education.

The meeting was adjourned at 3:45 p.m., subject to the call of the chair.

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Brady A. Larson  
Fiscal Analyst

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Allen H. Knudson  
Legislative Budget Analyst and Auditor

ATTACH:1