

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

HIGHER EDUCATION COMMITTEE

Tuesday and Wednesday, August 22-23, 2017

Bavendick Stateroom, National Energy Center of Excellence, Bismarck State College
Bismarck, North Dakota

Representative Mark Sanford, Chairman, called the meeting to order at 1:00 p.m.

Members present: Representatives Mark Sanford, Thomas Beadle, Rich S. Becker, Lois Delmore, Richard G. Holman, Dennis Johnson, Andrew G. Maragos, Bob Martinson, Lisa Meier, Gary Paur, Mike Schatz; Senators Robert Erbele, David Hogue, Ray Holmberg, Karen K. Krebsbach, Carolyn C. Nelson, Larry J. Robinson, Jim P. Roers

Others present: Brady A. Larson, Legislative Council, Bismarck
See [Appendix A](#) for additional persons present.

The Legislative Council staff reviewed the [Supplementary Rules of Operation and Procedure of the Legislative Management](#).

Chairman Sanford welcomed committee members and said he is planning for the committee to hold its meetings at higher education institutions. He said the committee's next meeting will likely be in October 2017.

Chairman Sanford called on Mr. Don Morton, President, State Board of Higher Education, to comment regarding the status of the North Dakota University System. Mr. Morton discussed the future of the University System and overcoming challenges facing higher education.

Chairman Sanford called on Mr. Joe Garcia, President, Western Interstate Commission for Higher Education, to present information ([Appendix B](#)) regarding Western Interstate Commission for Higher Education (WICHE) services, the current state of higher education, challenges facing higher education, and innovative ideas and actions taken to address challenges in higher education. Mr. Garcia said WICHE's role is to promote access and excellence in higher education for all citizens of the western United States through regional collaboration, resource sharing, sound public policy, and innovation.

Mr. Garcia commented on changing demographics in America and the potential challenges changing demographics present for higher education institutions. He said the number of high school graduates has been increasing; however, the number of graduates is expected to stabilize and eventually decline. He said a challenge facing higher education across the WICHE states will be enrollment. However, he said, North Dakota is different, in that high school enrollment is expected to continue to increase in future years. He added that North Dakota's population and enrollment growth have proven to be volatile and different from the rest of the WICHE states. He said higher education enrollment in other states has been increasing in recent years, while enrollment in North Dakota has been decreasing due to the strong state economy. He said that is expected to reverse in the coming years as the economy changes.

In response to a question from Chairman Sanford, the Legislative Council staff said information regarding the cost to the state for North Dakota students enrolled in WICHE veterinary, dental, and other professional programs will be provided at a future meeting.

In response to a question from Representative Paur, Mr. Garcia said state funding for WICHE has been increasing by approximately 2 percent per year. He said payments for students in professional programs have remained stable.

Representative Martinson questioned the anticipated increases in high school graduates in North Dakota. He said many families have left the state since oil prices declined. Mr. Garcia said while number of high school graduates may not increase at the rate identified, it is expected to increase.

In response to a question from Chairman Sanford, Mr. Garcia said North Dakota is incentivizing student success by rewarding institutions for credits completed rather than enrolled credits. He said the funding formula could be changed to incentivize recruitment and retention for certain student groups, including low income or minority students.

In response to a question from Chairman Sanford regarding accreditation, Mr. Garcia said institutions are affected by actions of accrediting authorities. He said the Higher Learning Commission is penalizing colleges who use high school teachers with only a bachelor's degree to teach dual-credit courses. He said colleges are responding by encouraging more online and distance education, rather than dual credit.

In response to a question from Senator Robinson, Mr. Garcia said distance education programs need to engage students, including using group projects in order to increase skills and provide for human interaction.

Dr. Larry Skogen, President, Bismarck State College, presented an overview ([Appendix C](#)) of the institution. He said Bismarck State College (BSC) had a fall 2016 headcount enrollment of 3,976 students, of whom 2,285 are on campus. He said he expects fall 2017 enrollment to decline from fall 2016 enrollment. He said BSC's biggest challenge going forward may not be financial, but retooling the institution to meet future workforce needs.

Dr. Skogen led the committee on a tour of the BSC Technical Center building.

The committee recessed at 5:05 p.m. and reconvened at 8:30 a.m. on Wednesday, August 23, 2017.

Dr. Mark R. Hagerott, Chancellor, North Dakota University System, presented information ([Appendix D](#)) regarding strategic planning and directives for the future of higher education in North Dakota. He said the goals of the University System include:

1. Deliver degrees that are the best value in the nation;
2. Provide programs people want, where and when they need them;
3. Equip students for success;
4. Maximize the strengths of the unified system; and
5. Research excellence and innovation.

Dr. Hagerott commented regarding the legislatively funded study of workforce and shared services. He said five task forces have been created to complete the study. He said the task forces will focus on the following:

1. Alignment and articulation with K-12;
2. Technical programs and workforce needs;
3. Common enrollment management systems;
4. Business; and
5. Academic programs.

In response to a question from Chairman Sanford regarding recruiting former students who didn't graduate to return to the University System, Dr. Hagerott said the integrated data available in North Dakota allows the University System to identify and unobtrusively contact former students.

In response to a question from Representative Martinson regarding how the University System will reach its strategic goals, Dr. Hagerott said there are more detailed strategies for each goal. He said beyond the strategies identified in his presentation, each campus has more specific strategic plans to meet the goals.

In response to a question from Representative Delmore regarding transfer students, Dr. Hagerott said student achievement measure (SAM) data provides information on students who transfer between institutions. He said the University System is beginning to report the SAM data.

In response to a question from Chairman Sanford, Dr. Hagerott said predictive analytics reporting (PAR) is nearing implementation across all University System campuses. He said the University of North Dakota (UND) and BSC are helping the other campuses to implement and use PAR.

In response to a question from Chairman Sanford regarding research network cooperation with the University of Minnesota, Dr. Hagerott said meetings have been scheduled with the University of Minnesota to discuss potential research network cooperation.

In response to a question from Representative Martinson regarding the lack of dental hygienists in North Dakota, Dr. Hagerott said the University System is working to expand the North Dakota State College of Science (NDSCS) dental hygienist program to Bismarck or another western North Dakota community. He said a concern is that students move to eastern North Dakota to attend NDSCS often do not return to central and western North Dakota to work.

Mr. Mark Kennedy, President, University of North Dakota, presented information ([Appendix E](#)) regarding UND's strategic plan. He said the six core values of UND include community, discovery, diversity, inclusivity, liberal arts, and lifelong learning. He said challenges facing UND include free online content from elite universities and nanodegrees and certificates. He discussed UND's strategic plan goals and metrics to achieve those goals by 2022.

In response to a question from Chairman Sanford regarding the location of online students, Mr. Kennedy said the increased quality of online education has increased education quality for North Dakota students, including online students in western North Dakota.

In response to a question from Representative Becker regarding the need to personally recruit students from rural communities rather than relying on online advertising, Mr. Kennedy said UND is working to more actively engage high school students throughout the state.

In response to a question from Representative Martinson regarding marketing, Mr. Kennedy said he would be willing to present information regarding UND's marketing strategy at a future meeting.

Dr. Tisa Mason, President, Valley City State University, presented information ([Appendix F](#)) regarding Valley City State University's (VCSU) strategic plan. She said VCSU's strategic plan includes four goals:

1. Growth;
2. Quality and engagement;
3. Student experience; and
4. Optimization.

Dr. Mason said each goal includes three strategies the institution plans to implement to meet the goal.

Dr. Skogen presented information ([Appendix G](#)) regarding BSC's strategic plan. He said the goals of BSC's strategic plan are to drive student success, design partnerships that create opportunities, and to achieve organizational excellence. He commented on the strategies and actions BSC will take to meet its goals.

In response to a question from Chairman Sanford regarding 2+2 programs and other programming in cooperation with University System universities, Dr. Skogen said the key to expanding programming is to obtain agreements with the 4-year institutions.

Dr. Richard Rothaus, Vice Chancellor for Academic and Student Affairs, North Dakota University System, presented information ([Appendix H](#)) regarding open educational resources (OER). He said the \$110,000 appropriated to the University System for the 2015-17 biennium for OER was reduced to \$107,250 due to the budget reductions approved by the Legislative Assembly during the August 2016 special legislative session. He said the funding was used for systemwide faculty training and workshops and institutional grant proposals. He said the immediate savings to students as a result of the appropriation was estimated to be between \$1 million and \$1.8 million. He said over the next 3 years, it is estimated students will save over \$3 million relating to OER. He said it is likely actual savings will exceed that amount, as the adoption rate of OER by University System faculty increases.

In response to a question from Representative Beadle regarding funding for OER during the 2017-19 biennium, Dr. Rothaus said much of the shared services funding and focus will be on a systemwide Blackboard system. Representative Beadle suggested some of the shared services funding be used to continue expanding and promoting OER.

In response to a question from Representative Meier, Dr. Rothaus said approximately 50 percent of faculty applications for OER grants were not approved due to limited funding.

Dr. Tanya Spillavoy, Director, Open Policy, Western Interstate Commission for Higher Education, Bismarck, expressed support of OER.

The Legislative Council staff presented a memorandum entitled [Higher Education Study - Background Memorandum](#). He said the committee was assigned two studies, including a study of the relationship between UND and the Energy and Environmental Research Center (EERC) and a study of higher education finances and the overall financial stability of institutions under the control of the State Board of Higher Education.

The Legislative Council staff presented a memorandum entitled [Other Duties of the Higher Education Committee - Background Memorandum](#). He said the committee has been assigned six other duties, including:

- Receive a biennial report from the UND School of Medicine and Health Sciences Advisory Council regarding the strategic plan, programs, and facilities of the school.
- Receive annual reports from the State Board of Higher Education regarding North Dakota academic scholarships and career and technical education scholarships.
- Receive reports from any tribally controlled community college receiving a grant under North Dakota Century Code Chapter 15-70 detailing grant expenditures and recipient demographics.
- Receive a report from the State Board of Higher Education regarding the status of efforts to collaborate with Minnesota entities for research network purposes.
- Receive a report from the State Board of Higher Education regarding the status of inconsistencies in employee classifications and human resources reporting, employee leave policies, practices for awarding tuition waivers, and practices regarding the charging of fees.
- Receive a report from the State Board of Higher Education regarding the total number of employee positions reduced at each institution, the number of administrative positions reduced at each institution, and whether any former administrative staff employees are still employed by the institution at a different position.

Chairman Sanford said he will ask UND and EERC to report to the committee on their relationship when the committee meets in Grand Forks.

Chairman Sanford said the next meeting will focus on funding and finance, including the funding formula, financial ratios, and other information required by the study of higher education finances. He said he plans to have one future meeting focused on student issues, including scholarships, textbooks, tuition rates, and other student issues. He said he plans for another meeting to focus on research, including research finances. He said the committee will also receive information regarding space utilization at a future meeting. He said the committee will likely meet in October, January, April, June, and August. He said the committee will continue to have 2-day meetings on University System campuses.

No further business appearing, Chairman Sanford adjourned the meeting at 11:55 a.m.

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