

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

HIGHER EDUCATION COMMITTEE

Tuesday and Wednesday, April 17-18, 2018
Roughrider Room, State Capitol
Bismarck, North Dakota

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

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

Members absent: Representatives Rich S. Becker, Lois Delmore; Senator Karen K. Krebsbach

Others present: See [Appendix A](#)

It was moved by Senator Robinson, seconded by Senator Holmberg, and carried on a voice vote that the minutes of the January 30-31, 2018, meeting be approved as distributed.

Chairman Sanford welcomed the representatives of the Western Interstate Commission for Higher Education (WICHE), National Conference of State Legislatures (NCSL), HCM Strategists, LLC, State Board of Higher Education (SBHE), and North Dakota University System to the meeting and invited them to join the committee members at the table.

Dr. Demarée Michelau, Vice President, Policy Analysis and Research, Western Interstate Commission for Higher Education, presented information ([Appendix B](#)) regarding efforts to increase postsecondary attainment in North Dakota and other states. She said as of 2016, approximately 48 percent of North Dakota residents aged 25 to 64 have an associate's degree or above, a 5 percent increase from the 43 percent of North Dakota residents aged 25 to 64 with an associate's degree or above in 2006. She said the number of annual high school graduates in North Dakota is projected to increase from 7,322 in 2013 to 12,283 by 2031. She said the projection was calculated in 2016 and current economic factors in North Dakota may cause the projection to be reduced in the future. She said when considering methods to increase educational attainment, it is important to develop the solutions to address North Dakota's problems.

Dr. Michelau also distributed information ([Appendix C](#)) regarding population and educational attainment in North Dakota, by county. She said the percentage of adults with an associate's degree or above ranged from 28 percent in Hettinger County to 56 percent in Cass County.

In response to a question from Chairman Sanford regarding the establishment of educational attainment goals, Dr. Michelau said the postsecondary attainment goals are most successful when a large group of stakeholders has input on the desired level of attainment.

In response to a question from Chairman Sanford regarding Native American enrollment in North Dakota, Dr. Michelau said the data in her presentation does not reflect tribal college enrollment.

Mr. Russell Poulin, Deputy Director, Research and Analysis, WICHE Cooperative for Educational Technologies, presented information ([Appendix D](#)) regarding distance education delivery methods, including cost, price, and the potential to improve the delivery of distance education. He said the cost represents the amount paid by the institution to deliver distance education and the price represents the amount paid by the student. He said nationally in the fall of 2016, one of every seven students was enrolled exclusively in distance education courses. He said of 21 distance education activities surveyed, a majority of distance education managers said the activities cost the same or more than traditional face-to-face courses. He said one way to reduce the cost of distance education is through the use of systemwide or multi-institution consortia in the purchase of software.

In response to a question from Representative Beadle, Mr. Poulin said certain states are working to unify distance education technology among institutions within the state, but there is minimal collaboration between institutions in separate states.

In response to a question from Chairman Sanford regarding accreditation issues relating to the delivery of distance education, Mr. Poulin said accrediting agencies are beginning to focus more on outcomes than inputs, but they can still delay implementation of new delivery methods.

In response to a question from Chairman Sanford regarding the difficulty in determining the cost of distance education, Mr. Poulin said it is complicated due to various subsidies and overhead incurred by the institution which may be difficult to consistently attribute to distance education.

In response to a question from Chairman Sanford regarding the ability to create economies of scale with distance education, Mr. Poulin said he believes cost reductions due to economies of scale and technology improvements are already occurring.

Dr. Jennifer Weber, Director of Institutional Research, Core Technology Services, North Dakota University System, presented information ([Appendix E](#)) regarding distance education in North Dakota. She said the University System offered 314 programs through nontraditional delivery methods in the 2017-18 academic year. She said 8 percent of University System undergraduate full-time equivalent (FTE) students are online only and 23 percent of University System graduate FTE students are online only. She said 81 percent of University System distance education students are North Dakota residents.

Dr. Weber distributed additional information ([Appendix F](#)) regarding distance education enrollment, use of the North Dakota Interactive Video Network, and the types of technology-supported online learning techniques.

In response to a question from Representative Paur, Ms. Cheryl Thompson, Outreach Manager, Core Technology Services, North Dakota University System, said off campus face-to-face enrollment could include classes held in a non-University System facility with a teacher physically present.

Ms. Thompson presented information ([Appendix G](#)) regarding interactive video courses. She said undergraduate enrollment in interactive video courses has increased from 1,466 in the spring 2016 semester to 1,915 in the spring 2018 semester.

Ms. Patti Heisler, Collaborative Learning Manager, Core Technology Services, North Dakota University System, presented information ([Appendix H](#)) regarding distance education technologies. She said technologies available to support distance education are also used to enhance the traditional face-to-face classroom.

In response to a question from Representative Holman, Ms. Heisler said each K-12 school can choose which technologies it wishes to use for online learning.

Dr. Jeffrey Holm, Professor and Chair, Department of Psychology, University of North Dakota, presented information ([Appendix I](#)) regarding online education and its role in the University of North Dakota (UND) strategic plan. He said over 1 million fewer students took on-campus courses nationwide in 2016 compared to 2012. He said online learning was a \$107 billion market in 2015 and is projected to be a \$325 billion market by 2025. He said UND is the largest nonprofit online university in an eight-state region from Wisconsin to Montana.

Ms. Christina Sedney, Senior Policy Analyst, Policy Analysis and Research, Western Interstate Commission for Higher Education, presented information ([Appendix J](#)) regarding strategies for increasing enrollment. She said an interesting enrollment strategy implemented in Idaho is a direct admissions program to proactively admit high school seniors to college, rather than waiting for the students to apply. She said under the direct admissions program, admissions letters are automatically sent to qualifying students and the high school counselors receive an admissions list of students.

Ms. Sedney said both Oregon and Tennessee have implemented "promise" programs to pay the cost of tuition and fees of community college students. She said Indiana is marketing to adults who have taken some college courses but did not complete their degree. She said Indiana has also made needs-based student aid available specifically for the adult students to encourage re-enrollment.

Chairman Sanford commented regarding similarities between North Dakota and Idaho and the potential to implement the Idaho direct admissions program in North Dakota.

In response to a question from Senator Holmberg regarding Oregon's support of community college students who are not financially needy, Ms. Sedney said that because scholarships and grants are applied to the community college students' tuition and fee charges prior to the state payment, the state typically pays less for needy students than it does for students not eligible for needs-based grants and scholarships.

In response to a question from Senator Nelson regarding enrollment, Ms. Sedney said the Oregon "promise" program incentivizes students to attend a community college prior to attending a university, so universities may experience a decrease in enrollment.

In response to a question from Representative Paur, Ms. Sedney said the data is not yet available regarding whether the number of graduates from 4-year universities changed after implementation of the Tennessee "promise" program providing for free enrollment at 2-year community colleges.

In response to a question from Chairman Sanford, Ms. Sedney said each institution determines the number of credits awarded for work experience. She said those credits are often transferable to another institution.

Mr. James P. Wisecup, Interim Vice Chancellor of Strategy and Strategic Engagement, North Dakota University System, commented regarding strategies for increasing enrollment. He said the University System has been monitoring the Indiana program encouraging adults to re-enroll in higher education. He also provided the committee with a link to interactive information on the Lumina Foundation website regarding higher education enrollment and attainment.

In response to a question from Representative Martinson, Dr. Mark R. Hagerott, Chancellor, North Dakota University System, said UND has a contract with Pearson for online education services. He said the contract is not for other campuses and SBHE determined Mr. Mark R. Kennedy, President, University of North Dakota, had the authority to sign the contract.

Representative Martinson suggested the higher education funding formula be adjusted to avoid subsidizing out-of-state online students through Pearson.

Dr. Hagerott said the University System office and SBHE are aware of and reviewing the issue.

Dr. Holm said the state appropriated funding will not be shared with Pearson.

Ms. Tammy Dolan, Vice Chancellor for Administrative Affairs and Chief Financial Officer, North Dakota University System, said the agreement with Pearson is still being discussed with UND and the higher education funding formula for the 2019-21 biennium will not be affected by online enrollment through Pearson.

The committee recessed at 4:25 p.m. and reconvened at 8:30 a.m. on Wednesday, April 18, 2018.

Dr. Michelau presented information ([Appendix K](#)) regarding methods to improve student retention and degree completion, including the alignment of appropriations, tuition, and financial aid. She said the purposes of financial aid include rewarding students, improving access, and retaining highly qualified students. She said there is a need to prioritize funding between merit scholarships, needs-based grants, and targeted aid for specific programs. She said Nevada is seeking to improve its education attainment rates with grants to provide more low-income students with both the incentive and financial means to attend college.

In response to a question from Chairman Sanford regarding incremental aid payments, Dr. Michelau said the primary purpose of making incremental payments is to encourage the student to continue through the semester, rather than dropping out.

In response to a question from Representative Meier regarding Nevada's requirements for students to maintain a grant, Dr. Michelau said grant recipients must complete 15 credits and maintain a 2.0 grade point average.

In response to a question from Chairman Sanford regarding whether additional unmet need for needs-based grants exists in Nevada, Dr. Michelau said Nevada is still making changes to funding for the program to meet the needs of the students.

In response to a question from Senator Nelson, Dr. Michelau said the 15 credit-hour requirement was the primary cause of students losing eligibility for the grant in Nevada.

In response to a question from Chairman Sanford, Dr. Michelau said Nevada did not previously have a state needs-based aid program.

Chairman Sanford said North Dakota currently has a needs-based scholarship program, but the program could be refined to increase requirements placed on the recipients.

Dr. Jimmy Clarke, Senior Director of State Policy, HCM Strategists, LLC, presented information ([Appendix L](#)) regarding methods to improve student retention and degree completion, including potential funding formula adjustments to target improving student success among certain populations. He said a majority of states are developing or implementing outcomes-based funding for higher education rather than enrollment-based funding. He said common outcomes-based funding metrics include the number of degrees or certificates awarded, degree progression, number of successful transfers, workforce targets, efficiency targets, and priority funding for certain underrepresented students and high-demand degrees. The 2017-20 Lumina state policy agenda ([Appendix M](#)) was also distributed to the committee.

In response to a question from Representative Paur, Dr. Clarke said recruiting nonresidents to the state will help North Dakota achieve its education attainment goal of 65 percent of the population with a degree or certificate by 2025. He said distance education and targeting of nontraditional students will also help the state to increase education attainment.

In response to a question from Chairman Sanford, Dr. Clarke said North Dakota should review local data when considering socioeconomic populations to target to increase higher education enrollment and attainment.

Ms. Dolan presented information ([Appendix N](#)) regarding current student financial aid available in North Dakota. She said the 2017 Legislative Assembly appropriated \$36.3 million for the 2017-19 biennium for state grants and scholarships, a reduction from the \$42.6 million appropriated for the 2015-17 biennium. She said funding for the challenge grant program was reduced from \$22.1 million for the 2015-17 biennium to \$2 million for the 2017-19 biennium.

In response to a question from Chairman Sanford regarding academic and career and technical education scholarships, Ms. Dolan said it is possible students receiving scholarships through the program also receive institutional or private scholarships.

Dr. Thomas Mitzel, President, Dickinson State University, presented information ([Appendix O](#)) regarding University System use of Predictive Analytics Reporting (PAR) and Starfish to improve student retention and degree completion. He said Starfish is a software program which aids in student monitoring and communication. He said most University System campuses have implemented Starfish and are reporting favorable results from the implementation, including improved students' grades and retention. He said implementation of PAR appears to be much slower and less successful among University System institutions.

Dr. Holm presented information ([Appendix P](#)) regarding methods to improve student retention and degree completion. He said methods to increase retention and attainment include cost reduction and increased student engagement. He said UND is working to reduce student costs through the use of open educational resources and by encouraging students to complete their degree in 4 years. He added that UND is working with the University System's 2-year colleges and tribal colleges to ensure students are able to seamlessly transfer to UND.

Dr. Ben Boggs, Program Principal, National Conference of State Legislatures, presented information ([Appendix Q](#)) regarding teacher recruitment and retention in rural areas. He said teacher recruitment and retention in rural areas is a common challenge for many states. He said methods to improve rural teacher recruitment and retention include student loan repayment programs, signing bonuses or supplemental pay for rural teachers, enhancing teacher housing availability, and implementation of a "fast-track" teacher preparation program.

Chairman Sanford commented on the housing difficulties in small North Dakota communities. He also said teacher retention nationwide is a challenging issue. Dr. Boggs said approximately one-third of new teachers leave the profession within the first 5 years.

In response to a question from Representative Schatz regarding new teacher turnover, Dr. Boggs said teacher pay, education requirements, and other issues all contribute to the turnover rate.

Dr. Boggs presented information ([Appendix R](#)) regarding the role of apprenticeships in addressing workforce issues. He said apprenticeship programs are a type of work-based learning. He said states are seeking to encourage expansion of apprenticeship programs by offering tax credits or otherwise incentivizing apprenticeship, including offering new funding streams for apprenticeship programs.

In response to a question from Representative Beadle regarding licensing for certain trade professions and its effect on apprenticeships, Dr. Boggs said occupational licensing laws can restrict opportunities for apprenticeships and access to certain careers.

Ms. Suzanne Hultin, Program Director, National Conference of State Legislatures, presented information ([Appendix S](#)) regarding connecting education to the workforce. She said certain states are amending their occupational licensing laws with a focus on reducing barriers to the labor market and improving portability of licenses across state lines. She said states are also focusing on reducing barriers for certain population groups, including military families, people with criminal records, immigrants, and dislocated workers.

Senator Holmberg commented on the potential for temporary professional licenses for military families and the challenges military families experience due to varying licensing requirements in different states. He said it is difficult to make changes to professional licensing requirements.

Representative Martinson suggested the committee receive additional information regarding professional licensing, including temporary licensing for military families in North Dakota. He also asked NCSL to provide more information to the committee regarding the types of professional licenses that are the most important to address for military families.

Dr. John Miller, President, Williston State College, presented information ([Appendix T](#)) regarding TrainND and higher education efforts to address workforce issues. He said TrainND was created by legislative action in 1999. He said the four TrainND programs focus on workforce training that is needed in each of their geographic regions. He said in the current year the four TrainND programs have trained over 14,000 people and delivered over 2,100 training sessions.

In response to a question from Chairman Sanford regarding the diesel technology programs at Williston State College and the North Dakota State College of Science, Dr. Miller said the diesel technology program at Williston State College is similar to the program at the North Dakota State College of Science, but on a smaller scale.

In response to a question from Chairman Sanford regarding geographic needs for certain programs, Dr. Miller said conversations are ongoing among the 2-year college presidents to improve distance education and collaboration among campuses.

In response to a question from Representative Martinson regarding state funding for TrainND and the potential for TrainND to become self-funded, Dr. Miller said state funding for TrainND is a valuable investment.

Dr. John Richman, President, North Dakota State College of Science, said private industry in North Dakota should be consulted before removing state funding for TrainND.

Ms. Michelle Kommer, Executive Director, Job Service North Dakota, presented information ([Appendix U](#)) regarding workforce needs in North Dakota. She said job openings in North Dakota exceed 14,400 as of March 2018. She said 76 percent of current job openings in North Dakota require an associate's degree or less.

In response to a question from Senator Robinson, Ms. Kommer said she would provide the committee with additional information regarding the types of open jobs in North Dakota.

In response to a question from Senator Robinson regarding Job Service North Dakota workforce service clients, Ms. Kommer said Job Service North Dakota does not monitor the number of repeat clients the agency helps to find work.

In response to a question from Chairman Sanford regarding professional licensure, Ms. Kommer said there has not historically been a state agency responsible for occupational licensing. She said she has taken on the role of coordinating occupational licensing information. She said North Dakota has 88 occupational licenses governed by 68 professional boards, commissions, and agencies.

Senator Nelson said the professional licensing boards generally provide testimony to the Senate Government and Veterans' Affairs Committee during the legislative session.

Senator Robinson suggested the committee receive information at its next meeting from SBHE regarding the Governor's recommended budget guidelines for the 2019-21 biennium.

Senator Nelson suggested the committee receive information regarding the Governor's Task Force for Higher Education Governance at a future meeting.

Chairman Sanford said the committee's next meeting will be Monday and Tuesday, June 4-5, 2018, at Mayville State University and UND.

No further business appearing, Chairman Sanford adjourned the meeting at 12:35 p.m.

Alex J. Cronquist
Fiscal Analyst

ATTACH:21