

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

HIGHER EDUCATION FUNDING FORMULA REVIEW COMMITTEE

Wednesday, December 18, 2019
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Mark Sanford, Chairman, called the meeting to order at 8:00 a.m.

Members present: Representatives Mark Sanford, Tracy Boe, Bob Martinson; Senators Ray Holmberg, Larry J. Robinson; Citizen Members Bruce A. Bollinger, Rebecca Collins, Tammy Dolan, Jed Shivers

Members absent: Senator Karen K. Krebsbach; Citizen Member Brent Winiger

Others present: Representative Thomas Beadle, Fargo
See [Appendix A](#) for additional persons present.

It was moved by Senator Robinson, seconded by Representative Boe, and carried on a voice vote that the minutes of the November 15, 2019, meeting be approved as distributed.

The Legislative Council staff distributed a document ([Appendix B](#)) regarding potential adjustments to the higher education funding formula. He also distributed three bill drafts, [\[21.0026.03000\]](#) which corresponds to proposal number one, [\[21.0043.01000\]](#) which corresponds to proposal number two, and [\[21.0044.01000\]](#) which corresponds to proposal number three.

Chairman Sanford discussed each proposal, including the reasoning behind each proposal. He said proposal number one:

- Adjusts the credit completion factor to protect institutions with increasing enrollment from a reduction in funding caused by a decrease in the credit completion factor;
- Transfers computer science credits from the core disciplines cluster to the engineering discipline cluster under the instructional program classification factor; and
- Restores the minimum amount payable clause at 96 percent.

Chairman Sanford said proposal number two includes the changes in proposal number one and:

- Reduces the institutional size factor from 1.7 to 1.5; and
- Adjusts the instructional program classification factor to increase the weight for career and technical education (CTE) credits from 2.0 to 2.7.

Chairman Sanford said proposal number three includes the changes in proposal number one and:

- Eliminates the institutional size factor;
- Adjusts the credit completion factor to provide a factor of 1.3 for institutions with between 70,000 and 120,000 raw credits; and
- Adjusts the instructional program classification factor to increase the weight for CTE credits from 2.0 to 4.0, 3.0, or 2.7.

Senator Holmberg said the committee should consider the cost associated with each proposal.

In response to a question from Senator Robinson, Chairman Sanford said he spoke with Dr. John Richman, President, North Dakota State College of Science, regarding the potential removal of the institutional size factor.

Chairman Sanford expressed support for proposal number three with CTE credits being weighted at 3.0. He said the proposal would include a recommendation to the State Board of Higher Education to continue studying the formula during the 2021-22 interim and report to the Higher Education Committee on the potential to reduce the negative impact of eliminating the institutional size factor on the North Dakota State College of Science (NDSCS).

Representative Martinson suggested the committee consider recommending multiple proposals for consideration by the Higher Education Committee and the Legislative Management.

In response to a question from Representative Boe, Chairman Sanford said the minimum amount payable clause in proposal number three does not have an expiration date, but the Legislative Assembly could repeal the clause in the future.

Ms. Dolan expressed concern regarding the amount of funding under the minimum amount payable clause included in the proposal for NDSCS. She said the North Dakota University System could continue reviewing the formula to minimize the impact of eliminating the institutional size factor.

Chairman Sanford said the prospect of the Legislative Assembly adjusting the higher education funding formula should encourage the University System to conduct additional research regarding the data available on the cost and space needs of certain CTE and dental programs.

It was moved by Senator Robinson, seconded by Ms. Dolan, and carried on a roll call vote that the committee recommend proposal number three with CTE credits weighted at 3.0. Representative Sanford; Senators Holmberg and Robinson; and citizen members Bollinger, Dolan, and Shivers voted "aye." Representatives Boe and Martinson and citizen member Collins voted "nay."

It was moved by Senator Holmberg, seconded by Senator Robinson, and carried on a roll call vote that bill draft [21.0044.01000] be amended to replace 4.0 with 3.0 on line 11 of page 1. Representatives Sanford and Boe; Senators Holmberg and Robinson; and citizen members Bollinger, Dolan, and Shivers voted "aye." Representative Martinson and citizen member Collins voted "nay."

It was moved by Senator Robinson, seconded by Senator Holmberg, and carried on a roll call vote that bill draft [21.0044.01000], as amended, relating to the higher education funding formula be approved and recommended to the Higher Education Committee and the Legislative Management. Representative Sanford; Senators Holmberg and Robinson; and citizen members Bollinger, Dolan, and Shivers voted "aye." Representatives Boe and Martinson and citizen member Collins voted "nay."

Chairman Sanford expressed support for a biennial review of the funding formula by the State Board of Higher Education.

It was moved by Senator Robinson, seconded by Ms. Dolan, and carried on a roll call vote to encourage the State Board of Higher Education to continue reviewing the institutional size factor of the higher education funding formula during the current interim and perform biennial reviews of the higher education funding formula beginning with the 2021-23 biennium. Representatives Sanford, Boe, and Martinson; Senators Holmberg and Robinson; and citizen members Bollinger, Collins, Dolan, and Shivers voted "aye." No negative votes were cast.

Chairman Sanford commented regarding the capital building fund program and the need for legislative leadership to be informed on the State Board of Higher Education's capital project funding priorities.

It was moved by Ms. Dolan, seconded by Mr. Bollinger, and carried on a roll call vote to encourage the State Board of Higher Education to meet with legislative leadership regarding the capital building fund program and requested funding for capital projects prior to each legislative session. Representatives Sanford, Boe, and Martinson; Senators Holmberg and Robinson; and citizen members Bollinger, Collins, Dolan, and Shivers voted "aye." No negative votes were cast.

The Legislative Council staff distributed a bill draft [21.0021.01000] regarding the capital building fund program. He said the bill draft removes the \$700,000 limitation for deferred maintenance and extraordinary repairs projects and authorizes North Dakota State University and the University of North Dakota to use their capital building funds for certain capital projects, including Dunbar Hall and Gamble Hall.

In response to a question from Mr. Bollinger, the Legislative Council staff said the bill draft allows institutions to access their capital building funds for extraordinary repairs projects after 75 percent of appropriated extraordinary repairs funding has been matched and committed, rather than spent.

It was moved by Mr. Bollinger, seconded by Mr. Shivers, and carried on a roll call vote that the bill draft [21.0021.01000] relating to the capital building fund program be approved and recommended to the Higher Education Committee and the Legislative Management. Representatives Sanford, Boe, and Martinson;

Senators Holmberg and Robinson; and citizen members Bollinger, Collins, Dolan, and Shivers voted "aye." No negative votes were cast.

It was moved by Senator Holmberg, seconded by Senator Robinson, and carried on a roll call vote that the Chairman and the Legislative Council staff be requested to prepare a report and the bill drafts recommended by the committee and to present the report and recommended bill drafts to the Higher Education Committee and the Legislative Management. Representatives Sanford, Boe, and Martinson, Senators Holmberg and Robinson, and citizen members Bollinger, Collins, Dolan, and Shivers voted "aye." No negative votes were cast.

It was moved by Representative Martinson, seconded by Ms. Dolan, and carried on a voice vote that the committee be adjourned sine die.

No further business appearing, Chairman Sanford adjourned the meeting at 9:10 a.m.

Alex J. Cronquist
Senior Fiscal Analyst

ATTACH:2