

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

HIGHER EDUCATION COMMITTEE

Tuesday, August 27, 2002
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Dave Nething, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Dave Nething, Ray Holmberg, Ed Kringstad, Elroy N. Lindaas, Ken Solberg, Rich Wardner; Representatives Ole Aarsvold, Rachael Disrud, Nancy Johnson, Myron Koppang, Bob Martinson, Ralph Metcalf, Janet Wentz, Lonny Winrich

Members absent: Senators Linda Christenson, Tim Flakoll, Tony Grindberg; Representatives Eliot Glassheim, Michael Grosz, Pam Gulleson, Roxanne Jensen, Bill Pietsch

Others present: See attached appendix

Chairman Nething said without objection the minutes of the June 12, 2002, meeting were approved as distributed.

HIGHER EDUCATION PERFORMANCE AND ACCOUNTABILITY MEASURES STUDY Higher Education Roundtable - High-Priority Action Items

The Legislative Council staff presented a memorandum entitled *Higher Education Roundtable - High-Priority Action Items*. The memorandum provides a summary of the high-priority action items identified by the Higher Education Roundtable task forces and accepted by the roundtable at its June 12, 2002, meeting.

Chairman Nething said a report on the progress of implementing the high-priority action items should be provided at the next meeting of the Higher Education Roundtable.

Representative Koppang suggested the Department of Public Instruction and kindergarten through grade 12 be included as a responsible stakeholder for the second Education Excellence action item to conceptualize and develop an approach to kindergarten through postsecondary education.

Representative Metcalf said the State Board of Higher Education should be the primary responsible stakeholder in the implementation of the second Education Excellence action item, but representatives of the Department of Public Instruction and kindergarten through grade 12 should be included in the process.

Representative Aarsvold suggested the second Education Excellence action item be modified to include kindergarten through grade 12 as a responsible stakeholder. Chairman Nething said the action item would be modified.

It was moved by Representative Metcalf, seconded by Representative Disrud, and carried on a voice vote that the committee adopt the Higher Education Roundtable high-priority action items as presented with the suggested modification.

Higher Education Bill Drafts

The Legislative Council staff presented a bill draft [30131.0100] relating to the appropriation of higher education institutions' special revenue funds. The bill draft amends North Dakota Century Code (NDCC) Section 15-10-12 to continue the continuing appropriation authority for higher education institutions' special funds, including tuition as provided for by the 2001 Legislative Assembly. The emergency clause allows for the continuation of the provisions without disruption.

The Legislative Council staff presented a bill draft [30130.0100] relating to the cancellation of unexpended appropriations for the North Dakota University System. The bill draft amends NDCC Section 54-44.1-11 to provide for the continuation of higher education's authority to carry over unspent general fund appropriations as provided by the 2001 Legislative Assembly. The emergency clause allows for the continuation of the provisions without disruption.

The Legislative Council staff presented a bill draft [30129.0100] relating to budget requests and block grant appropriations for the North Dakota University System. The bill draft amends NDCC Section 54-44.1-04 to continue the requirement that higher education budget requests include estimates for a base funding component and for an initiative funding component for specific strategies or initiatives and a budget estimate for an asset funding component for renewal and replacement of physical plant assets and amends Section 54-44.1-06 to continue the requirement that higher education appropriations include block grants for a base funding appropriation and for an initiative funding appropriation for specific strategies or initiatives and an appropriation for asset

funding for renewal and replacement of physical plant assets.

The Legislative Council staff presented a bill draft [30128.0100] relating to higher education accountability measures. The bill draft amends NDCC Section 15-10-14.2, which provides that the State Board of Higher Education shall provide an annual performance and accountability report by including the accountability measures to be included in the report.

In response to a question from Representative Winrich regarding including information relating to accreditation in the accountability measures relating to educational excellence, Dr. Michael Hillman, Vice Chancellor for Academic Affairs, North Dakota University System, said the State Board of Higher Education receives an accreditation report, including information on accreditations held by higher education institutions, the date of the last accreditation visit, and the date of the next accreditation visit. He distributed a copy of the most recent accreditation report provided to the State Board of Higher Education, a copy of which is on file in the Legislative Council office. He said the North Dakota University System would prefer to provide the information regarding accreditation at the request of the members of the Legislative Assembly rather than including an accountability measure relating to accreditation in the performance and accountability report.

In response to a question from Representative Winrich regarding accountability measures relating to faculty and staff, Mr. Larry Isaak, Chancellor, North Dakota University System, said the accountability measure relating to the percentage of total University System funding used for instruction, research, and public service will provide some information regarding support for faculty and staff. He said a report regarding faculty compensation is also provided to each Legislative Assembly.

Representative Winrich said the performance and accountability report will include several accountability measures relating to indirect indicators of performance. He said he would like the report to include more accountability measures relating to direct indicators of performance.

Senator Solberg suggested the accountability measures be refined to ensure the Legislative Assembly is receiving appropriate information.

In response to a question from Senator Nething regarding the accountability measures, Mr. Isaak said the accountability measures are closely tied to the goals included in the Higher Education Roundtable report. He said the first performance and accountability report published in December 2001 included information on approximately one-third of the accountability measures, the second report to be published in December 2002 will include information on approximately three-fourths of the accountability measures, and the third report to be published in December 2003

will include information on all accountability measures. He said the reports will show trend information for the accountability measures.

Chairman Nething suggested the accountability measures remain unchanged until the Legislative Assembly receives the 2002 accountability report.

Dr. Richard Kunkel, Vice President, State Board of Higher Education, provided information regarding the bill drafts relating to the continuation of legislation passed by the 2001 Legislative Assembly. A copy of the information is on file in the Legislative Council office. Dr. Kunkel said the legislation passed by the 2001 Legislative Assembly is having a positive impact on all of the 11 higher education institutions in the North Dakota University System. He said examples of the positive impact include faculty and staff salary increases of approximately 5 percent for both the first and second years of the 2001-03 biennium, better management of expenditures over an extended period of time, and the development of more private sector partnerships. He said the State Board of Higher Education asks that the committee continue the legislation passed by the 2001 Legislative Assembly and not require any additional accountability measures, as the University System is working on gathering data to report on the existing measures.

It was moved by Representative Koppang, seconded by Senator Kringstad, and carried on a roll call vote that the bill draft relating to the appropriation of higher education institutions' special revenue funds be approved and recommended to the Legislative Council. Senators Nething, Holmberg, Kringstad, Lindaas, Solberg, and Wardner and Representatives Aarsvold, Disrud, Johnson, Koppang, Martinson, Metcalf, Wentz, and Winrich voted "aye." No negative votes were cast.

It was moved by Senator Kringstad, seconded by Senator Lindaas, and carried on a roll call vote that the bill draft relating to the cancellation of unexpended appropriations for the North Dakota University System be approved and recommended to the Legislative Council. Senators Nething, Holmberg, Kringstad, Lindaas, Solberg, and Wardner and Representatives Aarsvold, Disrud, Johnson, Koppang, Martinson, Metcalf, Wentz, and Winrich voted "aye." No negative votes were cast.

It was moved by Representative Aarsvold, seconded by Representative Johnson, and carried on a roll call vote that the bill draft relating to the budget requests and block grant appropriations for the North Dakota University System be approved and recommended to the Legislative Council. Senators Nething, Holmberg, Kringstad, Lindaas, Solberg, and Wardner and Representatives Aarsvold, Disrud, Johnson, Koppang, Martinson, Metcalf, Wentz, and Winrich voted "aye." No negative votes were cast.

It was moved by Representative Metcalf, seconded by Representative Disrud, and carried

on a roll call vote that the bill draft relating to the accountability measures to be included in the State Board of Higher Education's performance and accountability report be approved and recommended to the Legislative Council. Senators Nething, Holmberg, Kringstad, Lindaas, Solberg, and Wardner and Representatives Aarsvold, Disrud, Johnson, Koppang, Martinson, Metcalf, Wentz, and Winrich voted "aye." No negative votes were cast.

North Dakota University System Long-Term Enrollment Management Plan

Dr. Hillman provided information regarding the progress toward establishing a North Dakota University System long-term enrollment management plan pursuant to Section 15 of 2001 Senate Bill No. 2003. A copy of the information is on file in the Legislative Council office. He said the State Board of Higher Education has formed a task force of board members and campus presidents to direct the development of a long-term enrollment management and service plan and has established the following expectations for the enrollment management and service plan:

- Recognize the realities of population trends, high school graduation levels, and other demographic and economic trends occurring in the state and in surrounding states.
- Enhance, support, and empower higher education institutions to achieve their enrollment and retention goals.
- Combine and coordinate the efforts of all of the higher education institutions in the University System to serve the needs of all of North Dakota in a coherent, efficient, and effective manner.
- Address the need to increase the working age population of North Dakota through high-value jobs and an attractive living and working environment.
- Increase the diversity of students enrolled in the University System's higher education institutions.
- Respond to the needs and expectations of students and other clients to be served.

Dr. Hillman said the primary goal of the long-term enrollment management and service plan is to enhance the economy of North Dakota and increase the working age population of the state by maximizing the utilization of the higher education institutions in the North Dakota University System. He said the State Board of Higher Education will discuss a draft of the long-term enrollment management and service plan at its September and November 2002 meetings.

In response to a question from Representative Aarsvold regarding cooperation and competition between higher education institutions, Dr. Hillman said the North Dakota University System does experience cooperation and competition between its higher education institutions. He said in regard to

cooperation, the State Board of Higher Education has approved a University System procedure relating to the distribution of tuition revenue between higher education institutions for collaborative distance-learning classes. The procedure provides that tuition revenue for collaborative distance education classes should be distributed 60 percent to the instructional provider, 20 percent to the degree-granting institution, and 20 percent to the receiving campus.

In response to a question from Senator Solberg regarding enrollment reporting, Dr. Hillman said students who are attending classes at more than one higher education institution in the North Dakota University System are counted by each of the institutions in the individual institution's enrollment figure; however, the student is counted only once in the University System unduplicated enrollment figure.

North Dakota University System Admission Requirements

The Legislative Council staff presented a memorandum entitled *North Dakota University System - Admission Requirements*. The Legislative Council staff said an individual who wants to attend any of the 11 higher education institutions in the North Dakota University System must meet the following minimum standards in order to qualify for admission:

- An individual must have a high school diploma or a general educational development (GED) certificate.
- An individual must have completed the American College Test (ACT) or the Scholastic Aptitude Test (SAT), unless the student is age 25 or older on the first day of class, is from a foreign country other than Canada, is transferring 24 or more semester credits acceptable at the receiving campus, or is exempted through an established campus policy.

The Legislative Council staff said an individual who plans to attend one of the North Dakota University System's four-year institutions and who graduated from high school in 1993 or later must have completed a core curriculum, including four units of English, three units of mathematics, three units of laboratory science, and three units of social studies. The North Dakota University System's four-year institutions may provide a student an exemption to the high school core curriculum requirements and may admit such a student through a review procedure established by the campus.

In response to a question from Representative Aarsvold regarding exemptions to the high school core curriculum requirements, Dr. Hillman said the number of exemptions provided higher education institutions is minimal.

In response to a question from Senator Solberg regarding foreign students, Dr. Robert H. Boyd, Vice President for Student and Outreach Services,

University of North Dakota, said foreign students must have a valid student visa and the students are monitored by the university's international center.

Dr. Lee Vickers, President, Dickinson State University, said foreign students must meet the standards of the university and if students are not meeting the standards, the university is responsible for reporting the situation to the United States government.

STUDY OF THE COLLEGE TECHNICAL EDUCATION COUNCIL AND THE WORKFORCE TRAINING REGIONS

Mr. Eddie Dunn, Vice Chancellor for Strategic Planning and Executive Director, College Technical Education Council, presented information regarding the College Technical Education Council, including information on the status of the council's current initiatives and the council's relationship with the Department of Commerce Division of Workforce Development. A copy of the information is on file in the Legislative Council office. Mr. Dunn said the College Technical Education Council, which is comprised of the two-year higher education institutions within the North Dakota University System, serves as a coordinating function for vocational technical education programs and as a vehicle for transforming the two-year institutions from junior colleges into community colleges. He said the core mission of the two-year institutions in the North Dakota University System is to:

- Provide the first two years of a four-year degree.
- Provide certificate or associate degrees to students wanting to enter the workforce with less than a four-year degree.
- Make higher education more accessible and affordable throughout the state.
- Assume primary responsibility for providing workforce training.
- Serve the lifelong learning needs of the community and region.

Mr. Dunn said the council's accomplishments for the first year of the 2001-03 biennium include the completion of a statewide needs analysis identifying potential new education and training programs for consideration by higher education institutions, development of a new academic program approval process, and implementation of the delivery of practical nursing training across the state. He said the current and ongoing initiatives of the council include offering a baccalaureate degree for instructors in trade, technology, and health areas through Valley City State University, improving faculty development through a grant from the Bush Foundation, assisting with the implementation of workforce development and training, collaborating with University System institutions and business and industry leaders to more effectively connect the education, research, and service capabilities of the University System with the

economic development needs and opportunities of the state, and identifying information technology education required to meet the current and growing demand for information technology workers.

Mr. Dunn said the College Technical Education Council has a cooperative relationship with the Department of Commerce Division of Workforce Development, including quarterly meetings between the director of the College Technical Education Council and the director and division leaders of the Department of Commerce. He said at the present time the Department of Commerce and the North Dakota Workforce Development Council are developing a joint agreement regarding coordination and cooperation related to workforce training.

Mr. Jim Hirsch, Director, Division of Workforce Development, Department of Commerce, provided comments regarding the College Technical Education Council. Mr. Hirsch said he is pleased with the communication between the Division of Workforce Development and the College Technical Education Council. He said the Division of Workforce Development is committed to working with the council in the future.

Dr. Sharon L. Etemad, President, Lake Region State College, provided information regarding the College Technical Education Council. A copy of the information is on file in the Legislative Council office. Dr. Etemad said the College Technical Education Council has been a critical structure in assisting two-year higher education institutions to develop an understanding of the unique mission and role of community colleges within the North Dakota University System. She said the council brings together representatives of the State Board of Higher Education, two-year higher education institutions, and the State Board for Vocational and Technical Education to collaborate on a common agenda and to examine issues relating to workforce development and workforce training.

Mr. Wayne Kutzer, State Director, State Board for Vocational and Technical Education, commented on the College Technical Education Council. Mr. Kutzer said kindergarten through grade 12 and vocational and technical education have a good relationship with the College Technical Education Council. He said the council and vocational and technical education are in the process of aligning high school vocational and technical programs with those at the two-year higher education institutions.

Mr. Dunn provided information on workforce training activity for the first year of the 2001-03 biennium. A copy of the information is on file in the Legislative Council office. He said the workforce training reports detailing revenues and expenditures for fiscal year 2002 should be completed by the middle of September 2002; however, preliminary surveys of the workforce training regions indicate that the regions provided training to approximately 1,326 businesses

and 9,861 employees and received direct training revenue of \$1,764,862 in fiscal year 2002. The following is a summary of the workforce training activity for fiscal years 2000 through 2002:

	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002 (Preliminary)
Number of businesses receiving training	518	1,214	1,326
Number of employees receiving training	7,463	10,669	9,861
Direct training revenue	\$965,992	\$1,462,042	\$1,764,862

Mr. Dunn said the decrease in the number of employees receiving training in fiscal year 2002 is due to workforce training regions providing more training to smaller businesses. He said the workforce training regions recommend no changes relating to the implementation of workforce training for the 2003-05 biennium.

In response to a question from Senator Nething regarding the workforce training budget request for the 2003-05 biennium, Mr. Dunn said the workforce training regions will be submitting a hold-even budget request of \$1,350,000 in funding from the general fund for the 2003-05 biennium.

Mr. Isaak said the interim Commerce Committee is also studying the workforce training and development program and the committee will be receiving reports from each of the workforce training regions at its next meeting on Thursday, September 26, 2002.

Mr. Dale Anderson, President, Greater North Dakota Association, who was unable to attend the

meeting, provided written testimony to the committee, a copy of which is on file in the Legislative Council office. Mr. Anderson expressed support for the bill drafts that provide for the continuation of the legislation passed by the 2001 Legislative Assembly and the current structure and administration of the workforce training system.

COMMITTEE DISCUSSION AND STAFF DIRECTIVES

It was moved by Senator Holmberg, seconded by Representative Winrich, and carried on a voice vote that the chairman and the staff of the Legislative Council 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 Legislative Council.

The meeting was adjourned sine die at 12:07 p.m.

Roxanne Woeste
Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1