

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

HIGHER EDUCATION COMMITTEE

Wednesday and Thursday, November 7-8, 2001
North Dakota State University, Northern Crops Institute,
Upper Great Plains Transportation Institute,
North Dakota State University Extension Service,
and North Dakota Agricultural Experiment Station
Fargo, North Dakota

Senator Dave Nething, Chairman, called the meeting to order at 8:35 a.m. on Wednesday, November 7, 2001, at the Memorial Union, North Dakota State University, Fargo.

Members present: Senators Dave Nething, Linda Christenson, Tim Flakoll, Tony Grindberg, Ed Kringstad, Elroy N. Lindaas, Ken Solberg, Rich Wardner; Representatives Ole Aarsvold, Rachael Disrud, Eliot Glassheim, Myron Koppang, Bob Martinson, Ralph Metcalf, Bill Pietsch, Janet Wentz, Lonny Winrich

Members absent: Senator Ray Holmberg; Representatives Michael Grosz, Pam Gulleon, Roxanne Jensen, Nancy Johnson

Others present: Judy Lee, State Senator, Fargo
Carolyn Nelson, State Senator, Fargo
Kim Koppelman, State Representative, West Fargo

See attached appendix for additional persons present

NORTH DAKOTA STATE UNIVERSITY

Dr. Joseph Chapman, President, North Dakota State University, welcomed the committee to the campus of the North Dakota State University and reviewed the committee's tour packet contents. A copy of the packet is on file in the Legislative Council office.

Dr. Chapman said the major themes of North Dakota State University are:

1. It's about people.
2. Students are paramount.
3. Leveraging support.
4. Programs.
5. Status and recognition.

Dr. Chapman said in regard to the university's theme "It's About People," the university has reallocated an additional \$387,000 for fiscal year 2002 salary increases and has a goal to reallocate an additional \$1 million for fiscal year 2003 salary increases. He said in regard to the university's theme "Leveraging Support," the university has increased research expenditures from \$50 million in fiscal year 2000 to \$61 million in fiscal year 2001 and has increased

funding received through indirect cost recovery from approximately \$1.5 million in fiscal year 2000 to \$2.23 million in fiscal year 2001.

Dr. Chapman said the university's fall 2001 headcount enrollment is 10,538, an increase of 536 from the fall 2000 headcount enrollment of 10,002. Of the 10,538 students, 1,105 are graduate students which is an increase of 186 from the previous year's graduate enrollment of 919. He said the university plans on developing high-demand and low-cost doctoral programs to increase the university's doctoral offerings from 20 to 35.

Dr. Chapman said the university's future goals are to:

1. Advance to the Carnegie Doctoral Research Extensive classification.
2. Increase its national and global reputation.
3. Grow enrollment to 12,000 students by 2005.
4. Increase faculty and staff salaries to the mid-range of peer institutions.
5. Increase business and industry partnerships.
6. Increase philanthropy.

In response to questions from Senators Solberg and Christenson regarding the university's emphasis on doctoral programs, Dr. Chapman said the university's delivery of undergraduate programs remains strong even with the university's increasing emphasis on doctoral programs.

Ms. Paula Thovson, Director of Budget, North Dakota State University, provided information regarding the status of the 2001-03 biennium budget. The information is included in the committee's tour packet. Ms. Thovson said the university's spending is on track with budgeted expenditures. She said the university appreciates the flexibility and the continuing appropriation of tuition and local funds provided by the 2001 Legislative Assembly.

Mr. Bruce Frantz, Director of Physical Plant, North Dakota State University, provided information regarding the flood damage experienced by the university during the summer of 2000 and extraordinary repair funding for the 2001-03 and 2003-05 bienniums. The information is included in the committee's tour packet. Mr. Frantz said the majority of the work

relating to the summer 2000 flood damage has been completed. He said the university should complete the remaining work next summer with the repair of steamlines on the south end of the campus. He said the university received extraordinary repair funding of \$1,737,531 for the 2001-03 biennium and has extraordinary repair funding needs of \$4,203,909 for the 2003-05 biennium.

In response to a question from Senator Nething regarding extraordinary funding needs for the 2003-05 biennium, Mr. Frantz said the extraordinary needs are prioritized in the university's master plan.

NORTHERN CROPS INSTITUTE

Dr. Patricia Berglund, Director, Northern Crops Institute, provided information regarding the mission and accomplishments of the Northern Crops Institute and the status of the institute's 2001-03 biennium budget. The information is included in the committee's tour packet. Dr. Berglund said the mission of the institute is to support North Dakota agriculture through expanding and maintaining domestic and international markets for northern grown crops. She said the core program funding increase of \$30,010 provided by the 2001 Legislative Assembly has allowed the institute to continue to provide service to the livestock industry and to invest in market development for the region. She presented a short video that provided information regarding Northern Crops Institute initiatives and a brief video tour of the institute's facilities.

In response to a question from Senator Solberg regarding the donation of a state-of-the-art mill, Dr. Berglund said North Dakota State University has been gifted a state-of-the-art mill currently located in Europe valued at approximately \$1.5 million. She said at the present time individuals are pursuing opportunities to fund the cost of approximately \$160,000 to \$200,000 to ship and reassemble the mill in North Dakota.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Mr. Gene Griffin, Director, Upper Great Plains Transportation Institute, provided information regarding the mission and programs of the Upper Great Plains Transportation Institute. The information is included in the committee's tour packet. Mr. Griffin said the institute was established by the 1967 Legislative Assembly to make a significant contribution to rural and small urban transportation and logistics through education, research, and service. He said programs of the institute include an advanced traffic analysis center, a transportation education program, a North Dakota strategic transportation program, an agricultural transportation center, and a small urban and rural transit center. He said the institute may introduce legislation to the 2003 Legislative Assembly

to amend the membership and powers and duties of the institute's advisory council.

NEW ECONOMY INITIATIVE

Mr. Roger Reiersen, Chairman, New Economy Initiative, commented on the New Economy Initiative and distributed the *New Economy Initiative Action Plan*, a copy of which is on file in the Legislative Council office.

Mr. Reiersen said the New Economy Initiative is a statewide effort to mobilize all North Dakotans to develop new ideas, to grow the economy, and to create a more prosperous state. He said the initiative relies on two main tools--industry clusters and action teams. He said six industry clusters--flexible food manufacturing, tourism, information technology, aerospace, energy and environment, and advanced manufacturing--have been identified to create strategies to increase growth in selected industries. He said three action teams have been established to address challenges that affect all industries. He said the core strategies for North Dakota's success in the new economy are to:

1. Grow competitive industry clusters.
2. Build a strong and responsive economic infrastructure.
3. Create effective collaboration and dynamic leadership.
4. Promote global market focus and openness to change.

In response to a question from Representative Winrich regarding the initiative to increase and promote diversity throughout North Dakota, Mr. Reiersen said the talent action team is reviewing opportunities to increase diversity.

In response to a question from Senator Grindberg regarding challenges of the New Economy Initiative, Mr. Reiersen said the state must continuously work on the new economy initiatives, realize that risks must be taken, and stop promoting itself as a low-wage state.

The committee recessed for lunch at 12:15 p.m.

NORTH DAKOTA STATE UNIVERSITY TOUR

After lunch the committee conducted a tour of the campus of North Dakota State University, including Minard Hall, the university's library, C. I. Nelson Building, Ceres Hall, the Health and Wellness Center, the university's research park, and the university's potential downtown campus.

In response to a question regarding Minard Hall, Mr. Frantz said during the second year of the 2001-03 biennium, the university will construct an addition to Minard Hall. He said the addition will be used to house the faculty that reside in Minard Hall while the existing structure is renovated.

In response to a question regarding the C. I. Nelson Building, Mr. Frantz said the university is

renovating the old student health building for classrooms.

In response to a question regarding the university's potential downtown campus, Dr. Chapman said an alumnus of the university is planning to give the university a building located in downtown Fargo. He said the building may be used for studio arts and architectural programs.

Upon completion of the tour, the committee recessed at 5:00 p.m.

UNIVERSITY SYSTEM LONG-TERM FINANCING PLAN AND RESOURCE ALLOCATION MODEL

The committee reconvened at 8:35 a.m. on Thursday, November 8, 2001, at the Memorial Union, North Dakota State University. Dr. Chapman provided comments regarding the University System long-term financing plan and the resource allocation model. He said the process of developing the long-term financing plan and the resource allocation model was one of compromise, and he is pleased with the resulting plan and model. He said as part of the long-term financing plan, a set of peer institutions was selected for each University System institution based on mission, enrollment, and program delivery. The peer institutions for North Dakota State University are:

- Clemson University.
- Kansas State University.
- New Mexico State University.
- Oregon State University.
- University of Arkansas at Fayetteville.
- University of Idaho.
- University of Wyoming.
- Utah State University.
- University of Alaska Fairbanks.

Dr. Chapman said the goal of the long-term financing plan is to fund institutions at 85 percent of their peer comparator institutions in six years. At the present time, North Dakota State University is funded at approximately 55 percent of their peer comparator institutions. He said the recommended funding share for the university is 60 percent from state appropriations and 40 percent from tuition revenue.

In response to a question from Representative Martinson, Dr. Chapman said funding was not one of the criteria used to select the university's peer comparator institutions. He said the university is in all likelihood one of the lowest funded land grant institutions in the nation.

In response to a question from Senator Grindberg, Chairman Nething said the presidents of the higher education institutions yet to be visited by the committee will be asked to comment on the University System long-term financing plan and the resource allocation. He said as for the presidents of the higher education institutions already visited, Dr. Chaffee, President, Valley City State University, will

provide her comments during the committee's visit at Mayville State University and Dr. Hart, President, State College of Science, could be invited to a later committee meeting to provide her comments.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE AND NORTH DAKOTA AGRICULTURAL EXPERIMENT STATION

Dr. Chapman provided comments regarding the university's agricultural programs. He said the university's enrollments in agricultural programs remain steady and the university has seen a significant increase in agricultural-related research.

In response to a question from Senator Solberg regarding food safety, Dr. Chapman said the university with the establishment of a food safety program and an environmental safety program will play a major role in the area of food safety.

Ms. Patricia Jensen, Vice President, Dean, and Director for Agricultural Affairs, North Dakota State University, provided information regarding agricultural program enrollments and agricultural research activities. Ms. Jensen said for fall 2001 there are approximately 1,000 students enrolled in agricultural programs at the university. Of the 1,000 students, approximately 150 are graduate students. She said agricultural research expenditures for fiscal year 2001 increased by approximately 22 percent compared to the previous year. She said the university's food safety program is the only program of its kind in the nation. She said the United States House and Senate conference committee report on the agricultural appropriations bill includes funding for North Dakota State University in the amount of \$800,000 for a food safety risk assessment and \$360,000 for a food sensor program.

Dr. Sharon Anderson, Director, North Dakota State University Extension Service, provided information regarding the 2001-03 biennium budget and programs of the North Dakota State University Extension Service. The information is included in the committee's tour packet. Dr. Anderson said the Extension Service has accomplished many of the objectives funded by the 2001 Legislative Assembly, including agent specialization and enhanced computer technology skills and training. She said the Extension Service continues to provide services throughout the state through educational programs and partnerships.

Dr. Jim Venette, Interim Associate Dean of Research, North Dakota Agricultural Experiment Station, provided information regarding the 2001-03 biennium budget and major initiatives of the North Dakota Agricultural Experiment Station. The information is included in the committee's tour packet. Dr. Venette said the land purchases at the North Central Research Extension Center and the Williston Research Extension Center authorized by the 2001 Legislative Assembly have been completed. He said

the major initiatives of the North Dakota Agricultural Experiment Station include food safety and security, food processing, biosensors, niche crop production, irrigation, and natural resources management.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE AND NORTH DAKOTA AGRICULTURAL EXPERIMENT STATION TOUR

The committee conducted a tour of the North Dakota State University Extension Service and North Dakota Agricultural Experiment Station facilities, including the university greenhouses and the Animal Nutrition and Physiology Center. At the university's greenhouses, representatives of North Dakota State University and North Dakota Agricultural Experiment Station pointed out the decaying of the greenhouses' concrete foundation walls and the poor condition of the heating and cooling exchanges.

In response to a question regarding the university greenhouses, Ms. Jensen said the university has been approached by the United States Department of Agriculture located on the campus regarding the possibility of collaborating on a new greenhouse facility.

In response to a question regarding the Animal Nutrition and Physiology Center, Ms. Jensen said the Animal Nutrition and Physiology Center was built at a cost of approximately \$4 million and was dedicated in September 2001.

The committee recessed for lunch at 11:30 a.m.

SKILLS AND TECHNOLOGY TRAINING CENTER TOUR

After lunch the committee reconvened at the Skills and Technology Training Center, Fargo. Dr. Jerry

Migler, Dean, Outreach and Customized Training, State College of Science, welcomed the committee to the facility. Dr. Migler said the Skills and Technology Training Center is an extension of the State College of Science to provide business and industry training to the Fargo-Moorhead area. The Skills and Technology Training Center offers a number of training programs, including information technology, management and leadership, welding, and interpersonal skill programs.

Dr. Migler, Mr. Kyle Davison, Technology Prep Coordinator, and Ms. Dawn Neumann, Marketing Director, Skills and Technology Training Center, guided the committee on a tour of the Skills and Technology Training Center facilities, including the new allied health area completed with grant funding received from the Dakota Medical Foundation.

Chairman Nething said the committee's next scheduled meeting at the University of North Dakota has been changed from Thursday and Friday, January 10-11, 2002, to Wednesday and Thursday, January 9-10, 2002.

The committee adjourned subject to the call of the chair at 1:40 p.m.

Roxanne Woeste
Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1