

# NORTH DAKOTA LEGISLATIVE COUNCIL

## Minutes of the

### HIGHER EDUCATION COMMITTEE

Tuesday and Wednesday, November 18-19, 2003  
Valley City State University, Valley City, North Dakota  
State College of Science, Wahpeton, North Dakota

Senator Ray Holmberg, Chairman, called the meeting to order at 10:00 a.m. on Tuesday, November 18, 2003, at the Student Center, Valley City State University, Valley City.

**Members present:** Senators Ray Holmberg, Tony S. Grindberg, Ed Kringstad, Elroy N. Lindaas, Dave Nething; Representatives Ole Aarsvold, Bette B. Grande, Kathy Hawken, Nancy Johnson, Frank Klein, Bob Martinson, Darrell D. Nottestad

**Members absent:** Senator Tim Flakoll; Representatives Thomas Brusegaard, Eugene Nicholas, Steven L. Zaiser

**Others present:** See Appendix A for additional persons present

#### VALLEY CITY STATE UNIVERSITY MEETING AND BUDGET TOUR

**Others present:** Larry Robinson, State Senator, Valley City

Ralph Metcalf, State Representative, Valley City  
Phillip Mueller, State Representative, Wimbledon

Dr. Ellen Chaffee, President, Valley City State University, welcomed the committee to the campus of the university and reviewed the committee's tour packet contents. A copy of the packet is on file in the Legislative Council office.

Mr. Bill Ament, Comptroller, Valley City State University, reviewed information regarding the status of the university's budget and capital improvements for the 2003-05 biennium, tuition rates for the 2003-04 school year, and current land and building utilization. He said the university's legislative appropriation for the 2003-05 biennium totals \$12,355,305, of which \$11,570,006 is from the general fund and \$785,300 is special funds from state bond proceeds. Of the \$12,355,305, \$11,304,672 is for university operations, \$785,300 is for the Graichen Gymnasium egress and safety project, and \$265,334 is for campus extraordinary repairs. He said the university experienced a \$1.26 million budget shortfall for the first year of the 2003-05 biennium due to costs to continue, health insurance costs, salary increases, a funding shortfall, and critical university needs. He said the budget shortfall was addressed through tuition rate increases (\$457,070), nontuition sources (\$405,700), and the unfunding of initiatives (\$400,899). He said the university's resident 2003-04 tuition rate was

increased from \$2,202 to \$2,652, or 20.44 percent. See Appendix B for information regarding the university's land and building utilization.

Mr. Dan Klein, Director, Enrollment Services, Valley City State University, provided information regarding the university's enrollment. He said the university's headcount and full-time equivalent enrollment figures for the fall 2003 semester were 998 and 824, respectively. He said the university is beginning to see an increase in the number of out-of-state students attending the university. He said of the university's 2002 graduates gaining employment, 73.5 percent of the nonteaching students obtained employment in North Dakota and 60 percent of the teaching degree students stayed in North Dakota.

In response to a question from Senator Nething, Mr. Klein said he could provide the committee with further information regarding the number of students recruited from Valley City and from the rest of Barnes County.

In response to a question from Senator Nething, Mr. Klein said the university does participate in recruiting on community college campuses.

In response to a question from Senator Holmberg regarding the university's admission requirements, Mr. Klein said a student interested in attending the university 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. He said the university may provide a student an exemption to the high school core curriculum requirements, but the number of exemptions granted is limited to 10 percent of the university's previous year's freshmen enrollment. He said for the 2003-04 school year, the university did not meet the exemption limit. He said generally the university denies admission to approximately 7 percent of applicants.

In response to a question from Senator Grindberg, Mr. Klein said he could provide the committee with information regarding the university's student loan and federal Pell grant program participation levels.

In response to a question from Representative Aarsvold, Mr. Klein said the university does have a limited number of dual credit course offerings.

Dr. Chaffee provided information regarding the university's progress toward implementation of the

recommendations of the Higher Education Roundtable. She said since the inception of the Higher Education Roundtable, the Higher Education Roundtable cornerstones have been the foundation of the university's strategic plan. The following are examples of actions taken by the university in relationship to the Higher Education Roundtable cornerstones.

#### **Economic Development Connection**

- Extensive work with Valley City-Barnes County Development Corporation to recruit and retain information technology businesses to Valley City.
- Participation in the Valley Development Group Roundtable sponsored by the Valley City-Barnes County Development Corporation.

#### **Education Excellence**

- New majors in psychology, exercise science/leisure studies, and professional communications.
- Development of sophisticated software to support student digital portfolios.

#### **Flexible and Responsive System**

- Development of a national standards technology education program with on-line delivery capabilities.
- Development of on-line programs to serve North Dakota English teachers affected by the No Child Left Behind Act.

#### **Accessible System**

- Deepening of the university's relationship with Sitting Bull College and the Standing Rock Sioux Reservation through joint grant proposals and joint faculty and staff development opportunities.
- Growth of program offerings in Jamestown with a focus on business administration.

#### **Funding and Rewards**

- Establishment of a full-time president with significant fundraising responsibilities.
- A new cooperative agreement with North Dakota State University that provides funding for Valley City State University's elementary education on North Dakota State University's campus and enables students at North Dakota State University to have laptop computers and the same technology resources available to their counterparts in Valley City.

Ms. Jennifer Feist, Director, Valley City-Barnes County Development Corporation, presented information on the Valley Development Group Roundtable. A copy of the information is on file in the Legislative Council office. She said the Valley City-Barnes County Development Corporation formed the Valley

Development Group Roundtable to further grow its strategic partnership with Valley City State University. She said the roundtable is to address how the roundtable and corporate leaders can capitalize on Valley City State University's strengths to forge exciting new business development strategies and services and work together for mutual benefit.

Mr. Joe Tykwinski, Chief Information Officer; Mr. Daniel McRoberts, Associate Professor, Communication Arts and Social Science; Ms. Jane Hammer, Associate Professor, Business and Information Technology; and Ms. Sarah Anderson, student, Valley City State University, presented information regarding faculty and student use of mobile computing and associated technologies.

After lunch the committee conducted a tour of the campus of Valley City State University, including Kolstoe Dormitory, Allen Memorial Library, Graichen Gymnasium, Foss Music Hall, the university's powerhouse, Vangstad Auditorium, and Osmon Fieldhouse. A listing of facilities toured, including information on future capital improvement needs, is on file in the Legislative Council office.

In response to a question regarding the Graichen Gymnasium egress and safety project, Mr. Ament said the university anticipates the project to begin in spring 2004.

In response to a question regarding the state's enterprise resource planning system initiative, ConnectND, Dr. Chaffee said the university is a pilot campus for the state's ConnectND project. She said the implementation is progressing and staff and students are beginning to see benefits of the system.

Upon completion of the tour, the committee recessed at 2:30 p.m.

### **STATE COLLEGE OF SCIENCE MEETING AND BUDGET TOUR**

**Others present:** John O. Syverson, State Senator, Fargo

Arden C. Anderson, Clark Williams; State Representatives, Wahpeton

The committee reconvened at 9:00 a.m. on Wednesday, November 19, 2003, on the campus of the State College of Science.

Dr. Sharon Hart, President, State College of Science, welcomed the committee to the campus. She said the State College of Science is the nation's second oldest two-year college and this year the college is celebrating its 100th year of existence.

Mr. Mike Renk, Vice President, Administrative Affairs, State College of Science, provided information on the status of the 2003-05 biennium budget, salary adjustments provided for 2003-04 and planned for 2004-05, tuition rates, and current land and building utilization, a copy of which is included in the tour packet distributed and on file in the Legislative Council office. He said the college experienced a \$3.5 million budget shortfall for the 2003-05 biennium

due to costs to continue, health insurance costs, salary increases, a utility funding shortfall, and the costs of implementing strategic goals. He said the budget shortfall was addressed through tuition rate increases (\$1.6 million), new program fees (\$418,000), legislative funding increase for high cost programs (\$200,000), and a reduction in positions (\$1.3 million). He said all employees will receive a 2 percent salary increase starting January 1, 2004, and a 2 percent salary increase starting July 1, 2004. He said the college increased tuition rates for the 2003-04 school year by 15 percent and is anticipating increasing tuition rates for the 2004-05 school year by 15 percent. He said the college is studying the possibility of implementing a per credit tuition program. See Appendix C for information regarding the college's land and building utilization.

In response to a question from Senator Holmberg, Mr. Renk said a majority of Minnesota two-year higher education institutions utilize a per credit tuition model.

Ms. Barbara Bang, Dean, Technology and Services Division, State College of Science, provided information on program fees, a copy of which is included in the tour packet. She said the college has a number of specialized technical programs that require specialized and expensive equipment, higher than average operating costs, high faculty-to-student ratios, and large and dedicated instructional facilities. She said the college conducted a program fee study and determined that 16 programs should have program fees. She said three additional programs volunteered to implement program fees, and therefore 19 programs implemented program fees beginning with the fall 2003 semester. She said the fees range from \$50 to \$250 per semester and the college is estimating the program fees will generate annual revenue of \$350,000.

In response to a question from Representative Aarsvold, Ms. Bang said the fees are applied based on a student's declared major.

In response to a question from Representative Aarsvold, Dr. Hart said the college's peer institutions selected for the University System's long-term financing plan do not have a similar program mix, and therefore the college is unable to compare program costs and fees with its peer institutions.

In response to a question from Senator Holmberg, Ms. Bang said the highest cost program is the machinist and toolmaker program at a cost of \$7,765 per year, excluding facility expenses.

Mr. Wayne Flack, Director, Physical Plant, State College of Science, provided information on 2003-05 capital improvements and future needs of the college, a copy of which is included in the tour packet. He said the college received a general fund appropriation of \$773,500 for the 2003-05 biennium for extraordinary repairs. He said the recommended amount of funding for extraordinary repairs is approximately 1.5 percent of the total replacement value of facilities of

approximately \$3,718,259 per biennium. He said the college's future needs include a steam distribution replacement project (\$1.5 million), an electrical distribution system upgrade and replacement (\$2 million), and renovation of Horton Hall (approximately \$3.8 million to \$4.1 million).

Ms. Karen Reilly, Director, Enrollment Services, State College of Science, provided information on enrollment and job placement, a copy of which is included in the tour packet. She said the college's headcount and full-time equivalent enrollment figures for the fall 2003 semester were 2,439 and 2,112, respectively. She said the college's fall 2003 semester out-of-state enrollment is up approximately 9.9 percent from the previous fall semester. She said the college placed approximately 97 percent of 2001-02 Arts, Science, and Business Division graduates in employment, with approximately 64 percent placed in North Dakota, and the college placed approximately 99 percent of 2001-02 Technology and Services Division graduates in employment, with approximately 64 percent placed in North Dakota. She said new initiatives for enrollment include the expansion of the recruiting territory, Internet chats and instant messaging, bus trips, immediate registration of students, and event marketing.

In response to a question from Senator Grindberg regarding the college's implementation of a two-year registered nurse program, Dr. Hart said the college is awaiting two-year registered nurse rules from the Board of Nursing and is recruiting for students for enrollment in a two-year registered nurse program beginning in fall 2004.

Mr. Dale Knutson, Interim Director, College Outreach Division, State College of Science, provided information on workforce training, a copy of which is included in the tour packet. He said the southeast workforce training region provided training to 790 businesses and 3,004 employees during fiscal year 2003 compared to 737 businesses and 2,335 employees in fiscal year 2002. He said the region received training fee revenue of \$819,275 in fiscal year 2003. He said the region's future plans include operation of an "alien academy" to provide training and education relating to the benefits of implementing the radio frequency identification system, the expansion of the truck driving program, and the implementation of a Memorandum of Understanding with Corporate Adventures to provide mutually beneficial referrals and marketing assistance.

In response to a question from Senator Nething, Mr. Knutson said he could provide the committee with information regarding the region's expenses for fiscal year 2003.

Mr. Bob Otterson, Director, Marketing and Communications, State College of Science, provided information on the college's marketing and communications strategy, a copy of which is included in the tour packet. He said the college's five areas of

marketing and communications emphasis are internal communications, external communications, publications and electronic media, positioning, and research.

Dr. Hart provided information regarding the college's goals and objectives. She said the goals of the college follow the Higher Education Roundtable cornerstones and the college has identified several objectives for each goal. The following are examples of objectives identified for each goal.

#### **Economic Development Connection**

- Develop a process to recognize employees for entrepreneurial contributions.
- Promote workforce training services within the University System and the state.

#### **Education Excellence**

- Develop processes to apply assessment of student learning and institutional effectiveness for continuous institutional improvement.
- Strengthen staff development to improve teaching and learning with a focus on technology.

#### **Flexible and Responsive System**

- Increase access to lifelong learning opportunities for state and regional residents with an emphasis on distance education and on-line offerings.
- Review program offerings and services to meet the needs of business and industry with an emphasis on information technology.

#### **Accessible System**

- Increase access to lifelong learning opportunities for state and regional residents with an emphasis on distance education and on-line offerings.

#### **Funding and Rewards**

- Develop a process to recognize and reward faculty and staff for innovative and effective contributions to student learning and development.
- Increase new and existing revenue to address priority needs with a special emphasis on entrepreneurial ventures.

After lunch the committee conducted a tour of the State College of Science campus, including the Mayme Green Allied Health Center, the Tech Center, the Building Construction Technology Center, and Bisek Hall.

In response to a question regarding the college's dental hygiene program, Mr. Harvey Link, Director, Arts, Science, and Business Division, State College of Science, said there is a waiting list of individuals who would like to be accepted into the college's dental hygiene program.

In response to a question regarding the college's machinist and toolmaker program, Mr. Steven Johnson, Department Chair, State College of Science, said the college has a partnership with Haas Automation, Inc., under which the college receives specialized industry equipment to integrate into the machinist and toolmaker program.

Upon completion of the tour, the committee adjourned subject to the call of the chair at 2:30 p.m.

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Roxanne Woeste  
Senior Fiscal Analyst

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Jim W. Smith  
Legislative Budget Analyst and Auditor

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