

1999 HOUSE EDUCATION

HB 1316

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1316

House Education Committee

Conference Committee

Hearing Date 1-25-99

Tape Number	Side A	Side B	Meter #
#1		x	8.2 to 10.1
Committee Clerk Signature <i>Joan Davis</i>			

Minutes:

Those present: Chairman R. Kelsch , Vice-Chair Drovdal , Rep Brandenburg , Rep Brusegaard , Rep. Haas , Rep. Johnson , Rep. Nelson , Rep. Nottestad , Rep. L. Thoreson , Rep. Grumbo , Rep. Hanson , Rep. Lundgren , Rep. Mueller , Rep. Nowatzki , Rep. Solberg .

Chairman R. Kelsch : Open the hearing on HB 1316 and ask the clerk to read the title.

Rep Jensen: Sponsor of the bill introduces the bill. (see attached) (see attached economic impact study).

Vice-Chair Drovdal : IF it is a good idea for higher education, why not extend it to elementary and secondary education?

Jensen: This was brought up as my response to college closure and how it would impact the community.

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House Education Committee

Bill/Resolution Number Hb 1316

Hearing Date 1-25-99

Chairman R. Kelsch : Anyone who wishes to appear in support of HB 1316? Anyone who wishes to appear in opposition of HB 1316? Seeing no further testimony on HB 1316, we will close the hearing on HB 1316.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1316

House Education Committee

Conference Committee

Hearing Date 2-1-99

Tape Number	Side A	Side B	Meter #
Tape # 3		x	20.6 to 29.0
Committee Clerk Signature <i>Jean Dues</i>			

Minutes:

Chairman R. Kelsch , Vice-Chair Drovdal , Rep Brandenburg , Rep Brusegaard , Rep. Haas ,
Rep. Johnson , Rep. Nelson , Rep. Nottestad , Rep. L. Thoreson , Rep. Grumbo , Rep. Lundgren ,
Rep. Mueller , Rep. Nowatzki , Rep. Solberg .

Chairman R. Kelsch : We will take up HB 1316. What are the wishes of the committee?

Rep. Mueller : I move a DO PASS.

Rep. Nowatzki : Second

Chairman R. Kelsch : Discussion. There is a DO PASS motion on HB 1316. Ask the clerk to
read the roll. The DO PASS motion passes with 8 YES 7 NO 0 Absent Floor assignment Rep.
Nottestad .

Date: 2-1-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1316

House Education Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Mueller Seconded By Nowatzki

Representatives	Yes	No	Representatives	Yes	No
Rep. ReaAnn Kelsch-Chairperson	✓		Rep. Dorvan Solberg	✓	
Rep. David Drovdal-Vice Chair		✓			
Rep. Michael D. Brandenburg		✓			
Rep. Thomas T. Brusegaard		✓			
Rep. C. B. Haas		✓			
Rep. Dennis E. Johnson		✓			
Rep. Jon O. Nelson		✓			
Rep. Darrell D. Nottestad	✓				
Rep. Laurel Thoreson		✓			
Rep. Howard Grumbo	✓				
Rep. Lyle Hanson	✓				
Rep. Deb Lundgren	✓				
Rep. Phillip Mueller	✓				
Rep. Robert E. Nowatzki	✓				

Total (Yes) 8 No 7

Absent 0

Floor Assignment Nottestad

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 2, 1999 7:35 a.m.

Module No: HR-21-1633
Carrier: Nottestad
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1316: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS
(8 YEAS, 7 NAYS, 0 ABSENT AND NOT VOTING). HB 1316 was placed on the
Eleventh order on the calendar.

1999 TESTIMONY

HB 1316

I/25/99

Representative RaeAnn Kelsch, Chair
Members of the Education Committee

Greetings

I am Roxanne Jensen, State Representative from District 17, the southeast corner of Grand Forks.

As you can see, this bill would require the Board of Higher Education to prepare and submit an economic impact study prior to the closing of any institution of higher education.

No relevant economic impact studies on the state and the communities in which institutions may reside has ever been conducted to assess the impact of such a closing.

Future budget concerns and declining enrollments may well result in the closing of an institution; however, before the Legislative Assembly can make an informed decision regarding proposals to close such institutions, we must have accurate information regarding the bottom line that such a closing would produce.

Chancellor Isaak has suggested that the language raises some question as to whether or not this bill would give the Board of Higher Education authority to close a school. It is not my intent to raise this particular issue in this bill draft and I invite a friendly amendment, or will propose one myself, to correct this or other language that may interfere with the intent.

I am also giving you information on how such a study might be conducted and the cost. This information is contained in the enclosed memo between members of the University of North Dakota and North Dakota State University faculty.

Thank you for your attention. I hope you will give this bill your favorable recommendation.

Roxanne Jensen
State Representative

Re: Analyzing the Local Economic Impact of Closing a State Institution of Higher Education

This note is a follow-up to our phone conversation a week or two ago. As we discussed, the local economic impact of closing one of North Dakota's higher education institutions is a topic of great interest whenever the possibility of restructuring the state's higher education system is discussed. An evaluation of the potential impact of closing or downsizing an institution would be useful to state decision makers as they prepare for a new century.

Undertaking an analysis of this type would involve the following major tasks:

1. Obtain recent estimates of expenditures by the various institutions, categorized by (a) sector to which payment is made (e.g., retail, households) and (b) location of recipient (within county, elsewhere in region, elsewhere in state, out of state).
2. Obtain estimates of expenditures by students, categorized as in (1). A survey of a sample of students will likely be the best means to obtain this information.
3. Regional (i.e., state planning region) impacts of the institutions can be estimated by applying the within-region expenditures of the institutions and their students to the North Dakota input-output model. Local impacts (i.e., for the site county) can be estimated through use of community-level multipliers similar to those developed by Olfert and Stabler (M. R. Olfert and J. C. Stabler. 1994. "Community Level Multipliers for Rural Development Initiatives." *Growth and Change* 25: 467-486.).

An alternative approach to estimating regional and local impacts would be to develop regional and county-level multipliers using a modeling system like IMPLAN. However, this approach would increase the cost of the study by \$15,000 to \$20,000 (i.e., would nearly double the cost of the effort).

Budget:

The estimated cost for conducting this study would be about \$21,000 for direct costs (salaries for research associates/assistants, fringe benefits, travel, etc.). A summary of these estimated costs is provided below. Any indirect costs or faculty salaries that may be required will be additional to these costs.

Cost Breakdown

Personnel:

Research associates (5 mo. @ \$2,850)	\$14,250
Hourly help (data entry, etc.)	1,000
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Subtotal, salaries and wages	<hr/> 15,250
Fringe benefits (@ 30% of s&w)	4,575
Travel	700
Communications	400
Supplies	300
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Total Direct Cost	<hr/> \$21,225

draft 3 months - Completed 6 to 8 months