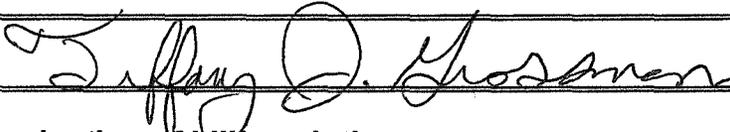**2013 SENATE EDUCATION**

SB 2032

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
1-14-13
17129

☐ Conference Committee

Committee Clerk Signature _____

Explanation or reason for introduction of bill/resolution:

Relating to a performance and accountability report by the state board of higher education.

Minutes:

Written Testimony Attached

Chairman Flakoll: Opened the hearing on SB 2032

John Haller, Interim VCAA for NDUS: I wish to testify in support of SB 2032. (See attachment #1 for written testimony)

Chairman Flakoll: Any questions? These could be captured now with the exception of D.

John Haller, Interim VCAA for NDUS: We are looking for something more user friendly.

Chairman Flakoll: When would this normally be available?

John Haller, Interim VCAA for NDUS: Our intent is to have this available around this time. We are setting up a work group.

Senator Heckaman: Does this move itself into the financial part the institution receives according to their accountability?

John Haller, Interim VCAA for NDUS: We are working on a plan to develop this and we will have it available as we approach the next year.

Chairman Flakoll: One of the gripes I have about higher education data is that it is often times lists a student as a failure if the student transfers to a different environment. How will you list the data if the student goes to DSU in year one and transfers to Minot State for year two? Is that going to be deleterious to the data from DSU even though they are in the same system?

John Haller, Interim VCAA for NDUS: We do not currently accommodate for what you said. That would be comparing apples to oranges. We are currently looking at that problem and trying to resolve it because it gives you a false positive. On the other hand, everyone is in the same boat so we are comparing the same problem.

Chairman Flakoll: What would your reaction be if we have a requirement that we report retention within a service area? Do you have any thoughts on that?

John Haller, Interim VCAA for NDUS: No sir, not at the moment.

Chairman Flakoll: Does anyone else have any questions? Does anyone else wish to testify in support of 2032? Does anyone wish to speak in opposition of SB 2032? Seeing none we will close the hearing on SB 2032.
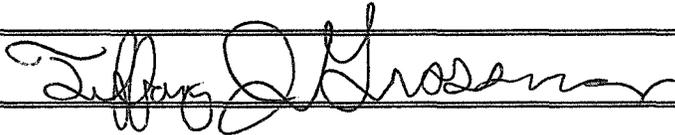
2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
1/16/2013
17312

☐ Conference Committee

Committee Clerk Signature	

Explanation or reason for introduction of bill/resolution:

Relating to a performance and accountability report by the state board of higher education

Minutes:

Chairman Flakoll: Opened SB 2032 for committee discussion on an amendment.

Senator Heckaman: Is there a reason why lines 19 and 20 are not included in the amendment?

Chairman Flakoll: The handout that was provided is in addition to. This is a photocopy of a portion of a draft of a bill. I would say that it would be inserted after line 20.

Senator Heckaman: That makes sense.

Senator Poolman: On your draft, A is already in our version so you are saying B, C, and D would appear after all of these requirements already listed?

Senator Heckaman: No it is different

Chairman Flakoll: It is broken down resident and non- resident.

Senator Poolman: Can we just put it in there?

Chairman Flakoll: It is just a matter of them getting the form to us.

Senator Luick: I move the Flakoll amendments to SB 2032

Senator Poolman: Second

A Roll Call Vote was taken: 6 yeas 0 nays, 0 absent

Senator Luick: I move a Do Pass recommendation on SB 2032 as amended.

Seconded by Senator Poolman.

A Roll Call Vote was taken for a Do pass to SB 2032: 6 yeas 0 nays, 0 absent.

Senator Luick will carry the bill.

Adopted by the Education Committee

January 17, 2013

PROPOSED AMENDMENTS TO SENATE BILL NO. 2032

Page 1, line 12, remove "The report required by subsection 1 must include:"

Page 1, remove lines 13 through 20

Page 1, line 21, remove "3."

Page 1, line 21, overstrike "The state board of higher education shall report to the legislative assembly during"

Page 1, overstrike line 22 and insert immediately thereafter:

> "The report required by subsection 1 must include the following information categorized by resident and nonresident students at each university system institution:
>
> a.   Data regarding fall semester to the subsequent spring semester student retention at the institution where the student initially enrolls;
>
> b.   Data regarding fall semester to the following fall semester student retention at any institution within the university system;
>
> c.   Data regarding the number of students awarded degrees, certificates, or diplomas at each institution between July first and June thirtieth of each year;
>
> d.   Information regarding each institution's progress in meeting the implementation steps and timelines as outlined in the university system's strategic plan;
>
> e.   Data regarding fall semester to the following fall semester student retention at the institution where the student initially enrolls;
>
> f.   Data regarding the average student grade point average for each academic term;
>
> g.   Data regarding the number of students that initially enroll at a two-year institution and complete a degree within six years; and
>
> h.   Data regarding the number of students that initially enroll at a four-year institution and complete a degree within six years."

Renumber accordingly

Date: 1/16
Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2032

Senate ___Education_____ Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ___Do Pass Flakoll Amendment_____

Motion Made By __Sen. Luick___ Seconded By __Sen. Poolman__

Senators	Yes	No	Senator	Yes	No
Chariman Tim Flakoll	✓		Senator Joan Heckaman	✓	
Vice Chairman Donald Schaible	✓		Senator Richard Marcellais	✓	
Senator Larry Luick	✓				
Senator Nicole Poolman	✓				

Total   (Yes) __6_____ No __0_____

Absent __0_____

Floor Assignment _____

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

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2032

Senate   Education _____ Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken   Do Pass As Amended _____

Motion Made By Senator Luick   Seconded By   Senator Poolman

Senators	Yes	No	Senator	Yes	No
Chariman Tim Flakoll	✓		Senator Joan Heckaman	✓	
Vice Chairman Donald Schaible	✓		Senator Richard Marcellais	✓	
Senator Larry Luick	✓				
Senator Nicole Poolman	✓				

Total   (Yes) 6 _____ No 0 _____

Absent   0 _____

Floor Assignment   Senator Luick _____

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

REPORT OF STANDING COMMITTEE
SB 2032: Education Committee (Sen. Flakoll, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2032 was placed on the Sixth order on the calendar.

Page 1, line 12, remove "The report required by subsection 1 must include:"

Page 1, remove lines 13 through 20

Page 1, line 21, remove "3."

Page 1, line 21, overstrike "The state board of higher education shall report to the legislative assembly during"

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>
> f. Data regarding the average student grade point average for each academic term;
>
> g. Data regarding the number of students that initially enroll at a two-year institution and complete a degree within six years; and
>
> h. Data regarding the number of students that initially enroll at a four-year institution and complete a degree within six years."

Renumber accordingly

2013 HOUSE EDUCATION

SB 2032

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

SB 2032
March 20, 2013
20126

☐ Conference Committee

(signature)

Minutes:

Ch. Nathe: We will open the hearing on SB 2032.

Brady Larson, Legislative Council: Neutral (see attached #1, #2). I served as the Interim Higher Education Committee Staff person and I am here in a neutral capacity to go over SB 2032. The main changes to this bill relate to the performance and accountability report required by the University System under 15-10-14.2. This section of statute was originally enacted in 1989, and it was amended into its current form in 1999. The section just simply requires the University System to prepare a performance and accountability report and report on the progress towards goals outlined in the University System's strategic plan and to provide for accountability measures. From 2001 until 2009, during each legislative session, the legislative assembly would pass a section of legislative intent regarding accountability measures to be included in the report. During the 2011 legislative session, the legislature did not take any action on this report regarding any of the accountability measures to be included. During this last interim, the higher education committee decided, instead of adding a section of legislative intent regarding what measures to include in the report, it would be better having more permanent measures actually codified in statute. That's what this bill does. If we look under section 1 of the bill, subsection 2, we can see that in the subdivisions there is actually permanent accountability measures included. The Interim Higher Education Committee recommended the first four that you see on page 1, a-d and that includes subdivision a, it would be fall semester to the subsequent spring semester student retention for newly enrolled freshmen, so that's just simply looking at the new freshmen enrolled in that institution, how many are there in the spring after they enroll. Subdivision b, is fall semester to the following fall semester student retention at any institution within the university system. This measure is designed to track students that maybe complete their first year at one institution, such as Bismarck State College and then transfer to another institution such as Mayville State University. Subdivision c, is just simply the number of degree certificates or diplomas awarded at each institution during each year. Subdivision d, is information regarding each institution's progress in meeting the implementation steps and timelines as outlined in the university system's strategic plan. So those are the four measures that were recommended by the interim committee. On page 2, these are measures that were added by the Senate Education Committee, and just going down the line, subdivision e, this is a measure for the fall semester to the following fall semester student retention at the

enrolls. This would be first time freshmen returning to the same institution the following fall. Subdivision f, is data regarding the average student grade point average for each academic term. Subdivision g, is the number of students that initially enroll at a 2 year institution and complete a degree within six years. Finally, subdivision h, is similar to subdivision g, but this is data regarding the number of students that initially enroll at a 4 year institution and complete a degree within six years.

Ch. Nathe: This bill codifies exactly what this accountability report will have in it. In the past, they would put in what they wanted to; now this says what has to be in the report.

Brady Larson: Yes, that is correct. You will notice that there were up to 30 accountability measures that were being included in sections of legislative intent, and these would change from session to session. When somebody would look at this report, you would see information for the past year or two, but you could not see a long term effect, or a long term effect of each institution in trying to meet the goals and accountability measures specified by the legislature. This bill will take a small number of measures and codify them to make them more of a permanent measure in seeing how the university system is performing.

Ch. Nathe: In more consistency from year to year.

Brady Larson: Yes.

Ch. Nathe: Page 2, lines 5 and 7, you say completed a degree within six years. Why did the Senate put in six years?

Brady Larson: I'm not sure why they put it at six years. I will mention that the US Dept. of Education has a federal database called the Integrated Post-Secondary Education Database, and that simply compiles statistics from each higher education institution in the country. For IPSED's purposes, they measure the number of students that complete a degree within six years, so this would be consistent with federal reporting requirements and that is why I am assuming they chose to use this language.

Rep. Rust: I find it interesting that we use six years for both the two year and four years. It would seem to me that probably we would use lesser years for those enrolled in a two year institution, like say 4 hours. Any insight you can give us on that.

Brady Larson: You are correct in your assumptions for two year institutions and for IPSED's purposes, they actually measure the number of students that enroll at a two year institution that complete a degree within 3 years. However, in this section here, I am assuming the intent is to try to gather the number of students that perhaps start out at a two year institution and then transfer to a four year institution and complete their final degree within six years.

Rep. Rohr: Would the strategic plan include a threshold for each of these data elements, so that instead of just identifying a percent of retention, would they have a threshold so that they would look at achievement and what their action plans would include.

Brady Larson: In looking at the accountability measures report, the university system does provide comparisons to other states and national benchmarks. They would be comparing to some threshold; however, in this bill there isn't a specific threshold to compare against.

Rep. J. Kelsh: On section h) on page 2, for information for the state accountability, wouldn't it be more useful if it were 4, 5, or 6 years to know what is really happening out there as far as our universities are concerned.

Brady Larson: That could certainly be a possibility. I'm not sure if the Senate Education Committee considered that, and the Interim Higher Education committee did not.

Ch. Nathe: Does their language cover that bill, when it says within six years; are we doing the same thing that Rep. J. Kelsh is suggesting.

Brady Larson: From this language, it is just measuring anybody that completes within the six years. It's not looking at the number of students that complete within four years, or five years, but everybody lumped into one measure.

Ch. Nathe: In that range.

Brady Larson: Yes.

Rep. Meier: When would the accountability report be submitted for each year?

Brady Larson: The university system distributes their accountability measures report generally in December of each year. So the latest report is from December 2012.

Rep. Heller: During the interim Higher Education meetings, when you discussed this, was their opposition presented by anybody, was there any opposition to this.

Brady Larson: As far as opposition from the public or any member of the audience testifying, there wasn't any opposition. There was discussion within the committee between certain committee members I believe there was some concern regarding codifying some of these measures. I guess I can't recall the final vote, but I believe it was divided.

Ch. Nathe: Was there a history of being frustrated with the past accountability reports.

Brady Larson: One thing that the Interim Higher Ed Committee has discovered is that they have been asking for several accountability measures; however, the accountability measures have not been consistent and so therefore the stakeholders have not been able to see a long-term change in any university system institution. It was felt that by codifying certain measures, you could sit and look back 5, 6 10 years and see how university system institutions are performing, so you could look at their retention rates and are those institutions actually performing better over the past 5 years on retention rates, or are the retention rates decreasing. By codifying it, you do have a more of a long term look at these measures.

Rep. Rohr: I'm still having a little trouble understanding how this is going to look at excellence in our system because we don't have any benchmarks or best practices that we're comparing ourselves to. There isn't anything identified in the strategic plan.

Brady Larson: Those benchmarks would have to be established by the board of higher education in their report if they were compared.

Rep. Mock: Do we compare how eligible students rank compared to a non-Pell eligible student. Is there anyway of breaking that information down. I know that there is a lot of funding that goes to universities to help students who are first generation or low income achieves success in their first years of college. How is that money helping enhance the retention and graduation rates of those who may have other barriers?

Brady Larson: I'm not aware of any data regarding Pell eligible students specifically. I know it is somewhat difficult to measure Pell eligible students just because the qualification for Pell is based on the FAFSA form and a student may fill out a FAFSA, but choose not to attend or enroll at an institution. There is some difficulty in obtaining that data. I will certainly check to see if anything is available.

Rep. Mock: With the SLDS system coming on line, if a student were to fill out the FAFSA their freshmen year, if they were required to track them in their progress specifically because they were determined to be Pell eligible, are there any FERPA or issues with tracking an individual who at one point was Pell eligible and comparing their success to their non-Pell eligible peers.

Brady Larson: I am not familiar enough with FERPA to know if there is any sort of federal requirements or federal regulations regarding the tracking of Pell eligible students, so I guess I can't answer that question.

Rep. Heller: Regarding the amendment that the Senate put on to add those four additional data requirements, I understand that the first ones were hashed over by the Interim Higher Ed Committee and it sounds like they had good discussion on them.

Brady Larson: Yes. You are correct. On the first four, if you look at subsection 2, subdivisions a-c, those measures were actually developed by the university system.

The university system office had developed a performance funding task force that looked at different options for basing a certain percentage of higher education based on performance, and those first three measures were actually recommended by that performance funding task force and that's where the Interim Higher Ed committee received that information and incorporated that into this bill. Finally, subdivision d, was just added towards the end of the committee's work.

Rep. Heller: Actually with the first four, you had time in the Committee to study and talk about them. Who proposed the last four; was it one person or a group of people who worked on these, or how were these last four requirements added in.

Brady Larson: I am not sure who proposed the ideas, I am assuming Sen. Flakoll, in his capacity with the Senate Education Committee developed these measures because he was also involved with the interim higher education committee. I don't know if he worked with any outside groups in developing these final four measures.

Ch. Nathe: Those four, under subsection 2, were developed by the funding task force. That's the task force that came up with SB 2200, the funding formula today.

Brady Larson: No, those were two separate groups.

Rep. J. Kelsh: I'm just wondering if this bill will cause duplication in reporting. I received something from the University System that showed retention rates and graduation rates in ND and they were somewhat lower than the national average. So we must have that information; is this going to cause duplication or would they just fit in with what's already being done.

Brady Larson: Some of these measures, would essentially use data that's already being reported to the federal United States Dept. of Education and some of these other measures, would actually be expanding upon existing data that is being reported. Some of these other measures would actually be expanding upon existing data that is being reported. I wouldn't think that there would be too much duplication in these measures as proposed.

Rep. Rohr: I would like to work with you to develop an amendment that codifies that best practices benchmarks have to be established in that report.

Brady Larson: We can certainly work with you to include that language.

Rep. Wall: In the past, it seemed like we could not very well transfer students from one university or one 2 year college to a 4 year college. What has changed to make that easier, because that was a real problem in the past? We couldn't figure out if a student dropped out of one college and indeed, were enrolled in another college.

Brady Larson: I do know in the past, there has been some concern with the transferring of credits and students between higher education institutions. I can't speak too much in depth on this issue, but I do know that there has been significant improvement in the articulation between campuses and the transfer of credits. I

think that aspect of higher education has improved but I can't speak specifically to that. One thing that has been a concern in the past is that if a student enrolls at a 2 year institution, such as BSC, does not complete a degree and then transfers to the four year institution, that student is considered a failure in federal reporting purposes. One thing that you will notice with some of these measures, is that those students would actually be tracked so you can actually see, well, was that student truly dropping out of college or are they transferring to another institution completing their degree and becoming a success under their reporting.

Ch. Nathe: This will show that.

Brady Larson: Yes.

Rep. Rust: I guess I would like to see item g, amended to provide for completing a degree within 2, 3, 4, 5, and 6 years. I'd like to see item h, amended to competing a degree within 4, 5 and 6 years. I think it would be interesting to note how many students do complete at what level. Can we track individuals who start in ND, but complete a degree in another state? They may start in ND, look like they dropped out of a college or university in ND, so they are a failure and yet they may have gone to another state and have completed that degree so in essence they really aren't a failure, they just decided to complete it some other place. Do you have any insight about that?

Brady Larson: Your exact concern was also the concern of the Interim Higher Education Committee and many times a student will start perhaps at NDSU, complete three years and then finish at Minnesota State University Moorhead. Well, should NDSU be counted as failing that student or have them drop out, when they are actually contributing a significant portion of their education, they are just finishing in a different state. I'm not aware of any data that is available right now that would track those students. I believe it would be possible but I'm not sure if there are any current reports with that information.

Rep. Heller: I have a similar concern on page 2, line 1, where you are tracking somebody from a fall semester to the fall semester of the same institutions. There are so many kids that are starting at BSC and transfer to NDSU, an overwhelming number that do that. So what would that really do, unless you follow them to the next university?

Brady Larson: One of the accountability measures that were proposed by interim Higher Education Comm. and specifically in subdivision b, would track those students that enroll at one university system institution and then transfer to another university system institution the next year.

Rep. Heller: Do we really need subdivision e, what would be the purpose of (e) to collect that data.

Brady Larson: Subdivision (e) would simply be tracking the student retention at the one institution and not tracking whether that student transfers to another institution.

Ch. Nathe: Thank you. One question I have is what Rep. Rohr brought up regarding the benchmarks, maybe adding to the bill.

Gordie Smith, Audit Manager for the ND State Auditor's Office: In order to make the data useful, there has to be some benchmark established because if you just say that we're graduating 50% of them within 6 years, is that good or bad; and you may go 40-45-50, so you're making progress but if the national average was 95, it gives you some context as far as where we are at and how fast we are gaining. I will say when the performance and accountability part was originated, there were in the low '30s, the number of measures that they wanted measured. I would say that when you look at things nationally, that was a lot of measures, requires a lot of time and depending on whether there were benchmarks, I would question about whether all of those measures were necessary. We did recently complete an audit of the University System office and one of the things we found were that they were producing two reports: one was the performance and accountability report that Brady referred to, and another one was a report that just showed some progress, some things they were looking at, but there were a lot of common features in both reports and we suggested that they issue one comprehensive report and eliminate some of the duplicative information. The other thing we found was, like Brady had mentioned, was the IPSED's report. When we performed the audit up there, it was just something that we didn't look at, we weren't looking for specifically, but we did see where there was information presented in a report to a legislative committee, to the higher education committee, that directly contradicted information that was reported on the IPSEDs. This was the number of degrees issued for that given year. In one of them it was 560 and the other one was 480. It was significant and we don't know what the cause of that is, but certainly if you have this accountability report and it's used, I think there has got to be at some point, some discussion of how does somebody audit that and make sure that what is in there, because if a given university, has five different methods to try and track this stuff, are those methods all comparing apples to apples or should they all be made to use one set of data.

Ch. Nathe: Would you like to see an audit component to this bill.

Gordie Smith: I guess that would be at the committee's discretion; however, certainly if there was something in here, I don't think that it would need to be audited yearly, but maybe once every two years or three years, at a performance audit and take a look at the measures, trace those back to the individual campuses to take a look at the systems that generated those numbers.

Rep. J. Kelsh: As far as the auditor is concerned, if it's in state law and you do a performance audit, don't you kind of automatically do, if they are complying with state law in all areas.

Gordie Smith: The way the performance audits work, is that the state auditor or the legislative audit fiscal review committee, or the legislature as a whole by passing a law, can request one. They are not done of every, like a routine audit that there is a requirement in law that we do what we call an operations audit. We're in every

agency once every two years, that's required. That would not be anywhere near the focus or depth of a performance audit to take a look at these numbers.

Rep. Rohr: Would you like me to work with Mr. Smith.

Ch. Nathe: Yes. Take a look at the benchmark issue, auditing component. Gordie, you have a lot of experience in this, is there anything in this performance audit bill that is missing in your opinion that we should take a look at or consider.

Gordie Smith: I haven't studied it as much. I would think that I can certainly try and find some time that I would compare what the most recent performance and accountability report had in it to what's in here. It would be interesting as to what has been dropped out because I know there are a number of additional measures that were in the prior performance audits.

Ch. Nathe: I'm not looking to confuse it or make it complicated, but if there is something that could really add to this, I think the committee would be interested in taking a look at it.

Rep. Meier: If we would put language into this bill, that we would like to see a performance audit conducted once every two years, would you foresee that you would have to have an additional FTE for that, or what would it all involve.

Gordie Smith: I guess the way things are, we are asking for 2 FTEs in our budget, but I don't think that a requirement of that 2 or 3 years, would necessarily generate the need for an FTE. With the number of people that we have, can conduct so many performance audits and so if this is required, then we push back one that might have been done sooner. I don't think that, by itself, would require any FTE.

Rep. Rohr: My other question was, are the definitions of these data elements sufficient enough so that we are going to be comparing apples to apples.

Gordie Smith: I think certainly that is a legitimate concern. In looking at, on the surface, it looks like they are fine. What I would like to do is to take a look at the current, 2012 report and see how detailed those are in comparison to it because that is a big concern. Everyone needs to do it the same way, so you get the same result.

Ch. Nathe: Thank you. Further testimony in support.

Lisa Johnson, ND University System: Support (see attached #3).

Rep. Rust: Is there a difference between enroll at a four year institution and enroll in a baccalaureate program.

Ms. Johnson: The proposal with the suggested change in language because some of our four year institutions have associate in two year and lesser credentials. By not stipulating a baccalaureate level, 4 year institutions could be reporting completions that are easily achievable within a two year time frame, thus perhaps

inflating the graduation rates. It actually was my suggestion to change the language back to associate and baccalaureate as opposed to starting at a 2 year or 4 year. Keep in mind that BSC, one of our two year institutions, has a 4 year degree program.

Rep. Rust: Is it also possible that people will enroll at a four year institution, maybe with no intention of getting a baccalaureate degree. They just want to take some classes for either personal reasons or whatever. I suppose then you could have someone who is enrolled in a four year institution and maybe not enrolled in a baccalaureate degree, is that correct.

Ms. Johnson: That is actually a good comment. We might amend language to say degree seeking students. There are a number of students who take coursework at 4 year institutions for the purpose of self-enhancement, lifelong learning and therefore, language might be added that stipulates degree-seeking student that indicates that their intent is to complete a degree of some type.

Ch. Nathe: Thank you. Further testimony in support of SB 2032. Testimony in opposition. We will close the hearing.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

SB 2032
March 25, 2013
20395

☐ Conference Committee

D Penrose

Minutes:

Ch. Nathe: Rep. Rohr has been working on amendments.

Rep. Rohr: I met with Gordie Smith, the state auditor. I reviewed with him all the suggestions for amendments that we had at the committee last week. Anita worked with us and basically she just gave me these amendments this morning. I haven't had a chance to go through them. She warned us that she did make some language changes to it, just to clean it up. Explained the amendments (see attached #1).

Ch. Nathe: I have a question on page 2, g and h on the Pell grants. Why the eligible for Pell grants and why track not eligible for Pell grants.

Rep. Rohr: Gordie didn't seem to think that we should actually even include the Pell grants but because we had a request from Rep. Mock, out of courtesy I put that in there and thought we should discuss it as a committee.

Rep. Mock: It was brought to our attention that there is annually about $5 million spent on programs related to students, generally with federal and special fund dollars to assist students who are eligible for Pell grants or have other barriers, yet we don't have any data to show the effectiveness of those programs and how that relates to retention and to graduation rates. So at the request of collecting information and showing the effectiveness of those support groups, we thought it was best to at least have that information available since we are already collecting the information related to graduation rates and retention that we should also break it down based on Pell grant and non-Pell grant eligibility.

Rep. Wall: One of the things that was brought up and is missing, I don't see if here, we are not looking at how many students transfer and when we've been following higher ed., that's always been a problem because transfer students who transfer from a two year college after their freshmen year to a four year college someplace, they are considered drop-outs right now. They fall off the map completely. I think this is unfortunate and I think this might be our opportunity to correct that error.

Rep. Rohr: That is fine. Remember I was to work with him on auditing and benchmarking and the Pell grant issue, so I guess if we want to amend it to add that information, we could talk with Gordie about it.

Rep. Heller: Then to continue on in regard to Rep. Wall was talking about, how do you track somebody if they start at BSC, then go to NDSU, then they finish at UND, but they do eventually finish. Does a student have to stay at one institution to be tracked, or can you track this kid as he rotates around the school system.

Ch. Nathe: It is my understanding that they could track him within the system, unless they go outside the ND University system.

Rep. Rohr: On page 2, on the original bill, we did delete e and f based on Gordie's recommendation.

Rep. Rust: I am looking at the engrossed bill, 04001 version, on line 15 we were tracking by resident and non-resident, and I'm not sure why that is no longer in this amendment.

Rep. Rohr: Number 3 on page 2 of the amendments.

Rep. Rust: Thank you. The other one was, at one point in time, we had talked about two year institutions and obtaining that certificate. Now it says 3 years, I was wondering about going a little longer than that, because sometimes you have kids that need a little extra time, say 3, 4, and 5 years. Or is 3 years sufficient.

Ch. Nathe: Are you talking about page 2, 2(g).

Rep. Rohr: Gordie recommended that we stick with 3 years, because I specifically said that one committee member that 4, 5, and 6 and he didn't think that was necessary and he studies this stuff all the time.

Ch. Nathe: More effective to keep it at 3.

Rep. Rohr: Yes.

Rep. Rust: I can kind of understand it, but I would think it is possible for a school to have someone graduate in four years, like at Wahpeton or Williston or Bismarck. I would consider that person as completed. Whereas now, they probably wouldn't be. On the other side of the coin, I can understand because the idea is to try and get people to complete things and not stretch it over so long that it appears as if the university system is benefiting by keeping them in school longer.

Rep. Mock: Related to section 2, the university system had just had a performance audit conducted by the auditor's office and generally, within 18-24 months of a performance audit being finished, there is a follow-up done by the auditor's office of the agency or dept. that was just audited. Is section 2, is that going to be a second performance audit or was that included at the request of the auditor's office to relate to the follow up that should already be scheduled.

Ch. Nathe: We will take this bill up later.

Rep. B. Koppelman: With the data tracking, is there anything in here as to not skew the numbers, let's say they start at NDSU and go 2-3 years and finish up the U of M in Minnesota or some other state, is there any way once it is verified that they went to another institution out of the state, that they take them out of the equation. We don't want to count all those as failures either.

Ch. Nathe: Rep. Rohr can find that out. I would think that if they leave a ND school and go to the University of Minnesota, it stops in the system.

Rep. Wall: That is one of the things that I will address with Gordie, because that is a problem unless it has been fixed in the last year, higher ed. counted those students as a drop-out. If somebody from NDSU is a sophomore and decides to go to U of M as a junior, they were considered a drop-out and that's not right.

Ch. Nathe: I agree. Rep. Rohr will get that information for us.

Rep. Heller: On page 2, on (h) (1) that still bothers me because I know so many Beulah kids that start at BSC just because it's closer to home, they get a lot of general courses finished, but their entire goal is to get a 4 year degree. So to track that kid starting at a 2 year institution and see if he finishes in 3 years is really not doing anything.   They start at a 2 year and go on to the 4 year to get that degree. I don't think that data does anything. Who wants the data?

Rep. Rohr: I think it is those who have associate's degree. They want to get that information, but now my question is, would that data is counted twice, if the student is counted in the 2 year and then going to be counted again in the 4 year.

Ch. Nathe: We will take this up after Rep. Rohr and Rep. Wall have met with Gordie Smith.

2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee
Pioneer Room, State Capitol

SB 2032
March 27, 2013
20529

☐ Conference Committee

Committee Clerk Signature: *[signature]*

Minutes:

Ch. Nathe: Let's take a look at SB 2032.

Rep. Rohr: Explained the amendments. The question that Rep. Mock had regarding the performance and accountability report, we went back to language now in the amendment. Rep. Rust's question regarding the time a person attending a two year institution, which is in g(2), should take care of that concern. Rep. Wall will go over the rest of the amendments.

Rep. Wall: On page 2, h (2) we added "initially enroll in a two year institution and obtain a certificate or diploma within 3 to 4 years of enrollment". This change was made because some of the two year colleges really had programs that take at least 3 years to complete; such as the dental hygienist at NDSCS, some kids take two years of diesel mech, and take general mechanics or auto mech for a year, so we thought we needed to add "or 4 years". Because after three years, they really aren't dropouts, some might have a part-time job and it might take 4 years to get the certificate. Under 3(b), we added this language because we also wanted to see "individuals who are enrolled in personal enrichment, for which credit is not offered and individuals who audit courses are not eligible to be counted as students for purposes of this report". In other words, non-degree seeking students would not be counted as drop-outs in the University system any longer, as they could be now. I was also concerned with the transferability of students who transferred from say Devils Lake to NDSU and then they are counted as drop-outs. After talking with the University System, they do track it and they are reporting now how many students transferred within the university system? One problem does still occur and that's students who transfer out-of-state, they really have no way of tracking them. I imagine if we added a couple of FTEs, but unless we put a chip in their ear, we really have no way of checking them and they will remain drop-outs basically as far as reporting and auditing are concerned; this is unfortunate because if a student goes to SU for a year, always planned to transfer to Moorhead, right now they show up as a drop out. I don't like that, but there really isn't anything in this bill we can do unless we're going to add FTEs and I don't think anybody is.

Ch. Nathe: Rep. Rohr, this amendment is a hog house amendment. Can you please explain section 2 on page 2?

Rep. Rohr: "During the 2013-14 Interim, the State Auditor shall examine the accountability and performance measures established for the ND university system to determine if they allow for a sufficient, objective, and systemic assessment of economies, efficiencies, and structural effectiveness."

Ch. Nathe: That was something that was recommended by Mr. Smith.

Rep. Rohr: Yes, it was, because we wanted to make sure that we had a reporting mechanism in place. I didn't realize it wasn't on before. I move a Do Pass on amendment on 13.0193.04002.

Rep. Wall: Second the motion.

Rep. Mock: My question goes back to the performance audit. Since we had just done a performance audit, if this performance audit as described in section 2, if that would be a new standalone performance audit conducted by the Auditor's office of the University System, or would the follow-up, which is schedule to take place around two years after the auditor's performance audit if that would suffice and meet those requirements.

Rep. Rohr: He made it sound like they were going to use this existing report when they do the audit and then they are going to provide a report off of it.

Rep. Mock: Considering what we learned in that performance audit, I would be happy to see a follow-up and if it has to come from this section or if it's going to be done without it, but as a member of the LAFERSY Committee, that audit needs follow up.

Rep. Rohr: Also remember that we added a national benchmark. It will be more valuable information.

Rep. Mock: Let's look at the inverse, instead of attending college in Fargo, ND and transfers to Moorhead, they would show up as a drop out. If a student initially enrolled in Moorhead and then transfers to NDSU, in a four year program, but say that they were only at NDSU for two years. Would that also skew the graduation rates and times that they are at the college. How would that come into play?

Rep. Wall: I do know that they keep track of those who transfer into the state and from what institution they transferred from. How they figure that into graduation rates, whether they call them, and I don't think they can call them retention rates, if a student comes in as a junior. I do know that they keep track of them. They do have a graph that shows them how that is reported. I am not certain, and I don't think this report calls for auditing transfers in.

Rep. J. Kelsh: Does this report include the tri-college area of Fargo and Moorhead, and in your discussions do they feel that accuracy can be attained. We are asking for a lot of reports in this bill, and transfers and moving around quite a bit. Do they

think they can track that pretty well? Does this include, and how would they handle, the tri-college area where they probably go to classes at 2 or 3 of those places.

Ch. Nathe: As I understand it, this would cover just the ND University System, so it wouldn't include Moorhead.

Rep. J. Kelsh: There are a lot of reports, with people transferring from 2 year to 4 year institutions. Do they feel that they can do this with a pretty high degree of accuracy?

Rep. Rohr: Mr. Smith was very confident that when we put these amendments on there; he indicated that now they can focus on measurable outcomes that would make a difference in the strategic planning. He felt pretty comfortable when I talked with him the other day.

Rep. Wall: I think it will work well. I actually thing the tri-college students would be treated differently and I think that we could track them under this bill. I believe that would be possible.

Ch. Nathe: In Moorhead.

Rep. Wall: Yes, in Concordia. I think students enrolled in the tri-college program would be tracked here.

Rep. Rohr: I think the challenge is going to be when it's reported, I think they need to make sure that that is indicated in the report; that's where the data is coming from, so that people are aware that we are comparing apples to apples basically.

Ch. Nathe: We will take a voice vote. Motion carried. We now have the bill before us as amended. What are the committee's wishes?

Rep. Rohr: I move a Do Pass as amended.

Rep. Mock: Second the motion.

13 YES 0 NO 0 ABSENT   DO PASS AS AMENDED

CARRIER: Rep. Rohr

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2032

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 15-10-14.2 of the North Dakota Century Code, relating to a performance and accountability report by the state board of higher education; and to provide for a performance audit.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-10-14.2 of the North Dakota Century Code is amended and reenacted as follows:

15-10-14.2. Higher education system strategic plan - ~~Reports~~Annual report - Performance and accountability.

1. The state board of higher education shall ~~adopt a strategic planning process and~~ develop a strategic plan to define and prioritize ~~university system~~the goals and objectives of the North Dakota university system.

2. The board shall provide an annual performance and accountability report regarding the system's performance and progress toward the goals outlined in the ~~university system's strategic plan and accountability measures.~~

2. ~~The state board of higher education shall report to the legislative assembly during each regular legislative session regarding the status of higher education in this state~~strategic plan. The report must include:

   a. Data regarding the retention rates of students between the fall and spring semesters at the institutions in which the students were initially enrolled;

   b. Data regarding the retention rates of students between the fall and spring semesters at any institution within the university system;

   c. (1) Data regarding the number of students awarded degrees, certificates, or diplomas at each institution during an academic year; and

      (2) A comparison of the data required by this subdivision with that of peer institutions;

   d. Information regarding each institution's progress toward meeting its goals and the implementation steps and timelines outlined in the university system's strategic plan;

   e. Data regarding the number of students that initially enroll at a two-year institution and obtain a certificate or diploma within three years of enrollment;

f. Data regarding the number of students that initially enroll at a four-year institution and obtain a degree:

(1) Within four years of enrollment;

(2) Within four to five years of enrollment; and

(3) Within six years of enrollment;

g. Data regarding the number of students that are eligible for Pell grants and:

(1) Initially enroll at a two-year institution and obtain a certificate or diploma within three years of enrollment;

(2) Initially enroll at a two-year institution and obtain a certificate or diploma within three to four years of enrollment; or

(3) Initially enroll at a four-year institution and obtain a degree within four to six years of enrollment; and

h. Data regarding the number of students that are not eligible for Pell grants and:

(1) Initially enroll at a two-year institution and obtain a certificate or diploma within three years of enrollment;

(2) Initially enroll at a two-year institution and obtain a certificate or diploma within three to four years of enrollment; or

(3) Initially enroll at a four-year institution and obtain a degree within four to six years of enrollment.

3. a. The report required by subsection 2 must categorize the required information by resident and nonresident students at each institution within the university system and must compare the information to national benchmarks.

b. Individuals who are enrolled in personal enrichment courses for which credit is not offered and individuals who audit courses are not eligible to be counted as students for purposes of this report.

SECTION 2. PERFORMANCE AUDIT. During the 2013-14 interim, the state auditor shall examine the accountability and performance measures established for the North Dakota university system to determine if they allow for a sufficient, objective, and systemic assessment of economies, efficiencies, and structural effectiveness."

Renumber accordingly

Date: _3/27/13_

Roll Call Vote #: _1_

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. _2032_

House   **EDUCATION**   Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number   _13. 0193. 04002   05000_

Action Taken: ☐ Do Pass   ☐ Amended   ☐ Rerefer to Appropriations

             ☐ Do Not Pass   ☒ Adopt Amendment

Motion Made By _Rep. Rohr_   Seconded By _Rep. Wall_

Representatives	Yes	No	Representatives	Yes	No
Chairman Mike Nathe			Rep. Bob Hunskor		
Rep. Mike Schatz			Rep. Jerry Kelsh		
Rep. Joe Heilman			Rep. Corey Mock		
Rep. Brenda Heller					
Rep. Dennis Johnson					
Rep. Ben Koppelman					
Rep. Lisa Meier					
Rep. Karen Rohr					
Rep. David Rust					
Rep. John Wall					

TOTAL   (YES) _____   (NO) _____   (ABSENT) _____

FLOOR ASSIGNMENT _____

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

Voice Vote - Motion Carried.

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2032

House   **EDUCATION**   Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number   *13.0193.04002   05000*

Action Taken: ☑ Do Pass   ☑ Amended   ☐ Rerefer to Appropriations

              ☐ Do Not Pass   ☐ Adopt Amendment

Motion Made By *Rep. Rohr*   Seconded By *Rep. Mock*

Representatives	Yes	No	Representatives	Yes	No
Chairman Mike Nathe	✓		Rep. Bob Hunskor		
Rep. Mike Schatz	✓		Rep. Jerry Kelsh		
Rep. Joe Heilman	✓		Rep. Corey Mock		
Rep. Brenda Heller	✓				
Rep. Dennis Johnson	✓				
Rep. Ben Koppelman	✓				
Rep. Lisa Meier	✓				
Rep. Karen Rohr	✓				
Rep. David Rust	✓				
Rep. John Wall	✓				

TOTAL   (YES) _13_   (NO) _0_   (ABSENT) _0_

FLOOR ASSIGNMENT _Rep. Rohr_

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

REPORT OF STANDING COMMITTEE

SB 2032, as engrossed: Education Committee (Rep. Nathe, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2032 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 15-10-14.2 of the North Dakota Century Code, relating to a performance and accountability report by the state board of higher education; and to provide for a performance audit.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-10-14.2 of the North Dakota Century Code is amended and reenacted as follows:

15-10-14.2. Higher education system strategic plan - ~~Reports~~Annual report - Performance and accountability.

1. The state board of higher education shall ~~adopt a strategic planning process and~~ develop a strategic plan to define and prioritize ~~university system~~the goals and objectives of the North Dakota university system.

2. The board shall provide an annual performance and accountability report regarding the system's performance and progress toward the goals outlined in the ~~university system's strategic plan and accountability measures.~~

~~2.~~ ~~The state board of higher education shall report to the legislative assembly during each regular legislative session regarding the status of higher education in this state~~strategic plan. The report must include:

   a. Data regarding the retention rates of students between the fall and spring semesters at the institutions in which the students were initially enrolled;

   b. Data regarding the retention rates of students between the fall and spring semesters at any institution within the university system;

   c. (1) Data regarding the number of students awarded degrees, certificates, or diplomas at each institution during an academic year; and

      (2) A comparison of the data required by this subdivision with that of peer institutions;

   d. Information regarding each institution's progress toward meeting its goals and the implementation steps and timelines outlined in the university system's strategic plan;

   e. Data regarding the number of students that initially enroll at a two-year institution and obtain a certificate or diploma within three years of enrollment;

   f. Data regarding the number of students that initially enroll at a four-year institution and obtain a degree:

      (1) Within four years of enrollment;

      (2) Within four to five years of enrollment; and

(3)   Within six years of enrollment;

g.   Data regarding the number of students that are eligible for Pell grants and:

(1)   Initially enroll at a two-year institution and obtain a certificate or diploma within three years of enrollment;

(2)   Initially enroll at a two-year institution and obtain a certificate or diploma within three to four years of enrollment; or

(3)   Initially enroll at a four-year institution and obtain a degree within four to six years of enrollment; and

h.   Data regarding the number of students that are not eligible for Pell grants and:

(1)   Initially enroll at a two-year institution and obtain a certificate or diploma within three years of enrollment;

(2)   Initially enroll at a two-year institution and obtain a certificate or diploma within three to four years of enrollment; or

(3)   Initially enroll at a four-year institution and obtain a degree within four to six years of enrollment.

3.   a.   The report required by subsection 2 must categorize the required information by resident and nonresident students at each institution within the university system and must compare the information to national benchmarks.

b.   Individuals who are enrolled in personal enrichment courses for which credit is not offered and individuals who audit courses are not eligible to be counted as students for purposes of this report.

SECTION 2. PERFORMANCE AUDIT. During the 2013-14 interim, the state auditor shall examine the accountability and performance measures established for the North Dakota university system to determine if they allow for a sufficient, objective, and systemic assessment of economies, efficiencies, and structural effectiveness."
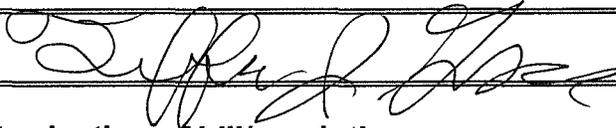
Renumber accordingly

2013 CONFERENCE COMMITTEE

SB 2032

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
4-10-13
21092

☒ Conference Committee

Committee Clerk Signature	

Explanation or reason for introduction of bill/resolution:

Relating to a performance and accountability report by the state board of higher education

Minutes:

Chairman Flakoll: opened conference committee. All were present and accounted for.

Rep. Rohr: I am referring to the 4002 amendment from the House. I met with Gordy Smith from the State Auditor's office and based on the language that came from the Senate there was some unclear language on what you wanted to track. Passed out copies of their emails (Attachments #1 and #2) Subsections 1 and 2 were language clarity. Anita and Brady worked on that. Subsection 2a, data regarding retention rate was changed. Subsection 2b was to clarify the transfer students. We wanted to make sure they were being accounted for. Subsections 2c 1 and 2 are peer institutions.

Chairman Flakoll: What are we deeming peer-institutions? Do they select peers? In the past we had aspirational peers versus other peers.

Rep. Rohr: We wanted to make sure they are compared to something similar like a two year to two year, four year to four year. The term aspirational never came up though. What do you mean by aspirational?

Chairman Flakoll: As an example if you look at UND an aspirational peer might be the University of Minnesota but that might not be a true peer because of how they are set up. An aspirational peer for someone might be MIT. Land grants are considered peers. The peers for the funding mechanism, South Dakota State wasn't deemed a peer of NDSU. At some point we have to work through.

Rep. Rohr: If they are already collecting data such as this, what have they been using as a peer institution to compare?

Chairman Flakoll: Originally the campuses were asked to pick from a list. They narrowed it down to a list of 15 peers. Each campus got to provide feedback from the other campuses because part of it was based upon a funding mechanism. There was a lot of concern that someone would pick a higher cost institution that may not be a peer.

Rep. Rohr: The State Auditor would have to verify the data. I will talk with their office.

Chairman Flakoll: Was there discussion on two year institutions or Community Colleges? Those enrolled in a two year institution won't be counted until the three year point.

Rep. Mock: You are right. We were operating off of the Senate version where it was a two years institution and completed the degree within six years. We thought it is more accurate to measure within three years. We didn't go into the two, three, or four year benchmarks.

Rep. Rohr: (Explained section 2F)

Rep. Koppelman: 4, 5, and 6 was carryover from your version.

Rep. Rohr: We added 2G for Pell Grants to compare eligible students to those not eligible in terms of their success.

Chairman Flakoll: On the engrossed version, on page 2 line 17 we may want to look at a two year set of data. We may wish to consider inserting two years.

Rep. Mock: It would be line 14 on that and on line 21 because it is comparing Pell eligible and not Pell eligible and then two years within three. We would have to add it to both of those subsections.

Rep. Rohr: In visiting with Brady, they are not even sure if they can collect this data. They were still checking on it when we were getting ready to take it to the floor. 3a, the report must categorize by resident and non-resident students and compare to national benchmarks. National benchmarks must have been comparing them to someone.

Chairman Flakoll: IPEDS is just the reporting system. We may need some clarity in terms of our expectations. Do we want to establish our own North Dakota benchmarks?

Rep. Koppelman: The peer was intended to be more state run public institutions. Peers for graduation rate and on time might be other Midwestern state run four year colleges.

Rep. Rohr: From my experience if you can determine there are no national benchmarks within the Midwestern states, that would be considered to develop our own because this accountability report is done every year. We need to compare that. 3b clarifies personal enrichment courses. That is pretty obvious.

Senator Heckaman: On all of these reports are you counting full time, part time, online, and continuing education people? Are you asking them to audit all of those?

Rep. Rohr: That is something we need to discuss. I would have to go back to the original report. We didn't talk about that in committee. I am not familiar with this report.

Chairman Flakoll: Part of it is we don't want to have the individuals who are working and pursuing a degree of some kind or advanced degree be viewed as a failure within the

system if they are only in one or two courses. Our intent is not necessarily to have them in the data set right?

Rep Rohr: I think it should be full time students.

Rep. Mock: It doesn't separate students enrolled in correspondence or below halftime. The numbers will be there. The intent was to go after the different benchmarks, institutions, and criteria for a better set of data.

Chairman Flakoll: I think we can break it up by first time, full time, degree seeking students.

Rep. Mock: The last subsection 3b was one part we wanted in the bill so personal enrichment courses didn't count against the university. Our goal was to eliminate the non-degree seeking numbers.

Chairman Flakoll: I would view that in subsection b, as those students that are irrelevant to the concern.

Rep. Rohr: We want to compare apples to apples. We don't want skewed data by incorporating those numbers. Section 2 was the performance audit.

Rep. Mock: We raised the question if it would meet the criteria. Rep. Rohr asked and it sounded as though it would. We want to seek clarification though.

Chairman Flakoll: At the interim committee meeting there was a report by the auditor that related to fees. (Attachment #3) and the overall cost was $341,549 dollars. These are pretty real numbers.

Senator Heckaman: Is this extra cost to the state Auditor's office? They are employed already. This is probably not extra cost to their office. This is part of the cost of running that office. Those top three numbers are the normal cost of running the university system on a day by day basis. The LAFRC is not a normal cost but the others aren't additional costs.

Rep. Mock: Was this revenue paid to the employees for normal assigned duties?

Chairman Flakoll: They track the dollars at the auditor's office. Individuals were not paid more.

Rep. Mock: If you are losing 1,152 hours conducting research or helping with an audit, that is a lot of time lost for other needs. Did NDUS incur any additional expenses to make up for the lost time of that employee?

Chairman Flakoll: I think it shifts work from one area to another area.

Rep. Koppelman: We wanted good data to see if the colleges and universities are successful. We want a metric to measure that.

Chairman Flakoll: We need to look at what is the most concise data we can get that is relevant to our questions. Passed out performance audit (Attachment #4).

Rep. Mock: Related to section two we can contact the auditor's office whether an appropriation should be included or not.

Chairman Flakoll: I prefer legislative directed audits versus audits requested by individual legislators.

Chairman Flakoll: Closed the conference committee.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
4-18-13
21270

☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 15-10-14.2 of the North Dakota Century Code, relating to a performance and accountability report by the state board of higher education; and to provide for a performance audit.

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll: opened the conference committee

Rep. Rohr: I had emails from Brady Larson and Gordy. They had some concerns about peer institutions so we want to keep that in there. F2 might be redundant. For PELL grants they wanted us to use the term awarded instead of eligible. Letter A where it talks about the report he had a concern with national benchmarks. In letter B wanted us to leave in individuals who audit courses. It would water down the data if we got rid of that section. Another thing, the cost is part of their job and they wouldn't charge the universities to do the audits.

Chairman Flakoll: It would probably cost the campuses at least $200,000. The question is if we want to spend $500,000 on this or if the report from earlier in session good enough.

Rep. Koppelman: The impression I have been given was when they do an audit and a follow up audit, those are budgeted items so those wouldn't be additional costs.

Chairman Flakoll: The auditor's office does what they do so that is built in as their activities. In the case of the campuses, there wasn't a provision.

Rep. Koppelman: Do we have any idea if we don't do this, how much the universities have already budgeted for that?

Chairman Flakoll: No. From my standpoint we need language about first time, full time, degree seeking students. There is general agreement about two years and three years.

Rep. Mock: The ND TRIO program says the PELL eligible are tracked so that is available. As far as I know eligible is okay. I don't know if the order makes a difference. I think the concern is a student could be PELL eligible but don't fill out the FAFSA.

Chairman Flakoll: If we adopt the peer institutions they would adopt the peer institutions that were in place under the roundtable study. I believe each one had 15 campuses. Part of that was to take out the peaks and valleys.

Rep. Rohr: Are you referring to outliers?

Chairman Flakoll: No. By having a greater number there is some movement. They didn't want to pick an outlier number. There would be less movement in these numbers than financial numbers.

Rep. Koppelman: You are saying if there were 15 campuses it would be an average?

Chairman Flakoll: Correct. They each have their own campus peers.

Rep. Rohr: Average comparison should be in their strategic plan.

Chairman Flakoll: I would put it in the bill.

Rep. Rohr: First time full time degree seeking students is what letter F is saying on page 2 of the amendment.

Rep. Koppelman: If we are going to consider the data in the bill, how would we make sure that is consistent from one session to the next when we are trying to look at that data?

Chairman Flakoll: We could reference the peers in existence for the funding formula on January 1st type of thing. At one point they could switch one in a two year period.

Rep. Koppelman: If it happens to be January 1st date, that would be written in the bill and until the law changed they would be locked in to those peers for purposes of measuring.

Rep. Rohr: The auditors could look at that when they do their audit.
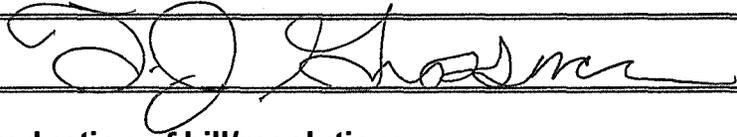
Chairman Flakoll: We will adjourn.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
4-22-13
21373

☒ Conference Committee

Committee Clerk Signature	

Explanation or reason for introduction of bill/resolution:

Relating to a performance and accountability report by the state board of higher education

Minutes:

Chairman Flakoll: opened conference committee on SB 2032. All members were present.

Senator Heckaman: I printed off the NDUS Accountability Measures Report from Mr. Thursby. I don't know where we are going with this bill. As we mention one thing it brings up four more. The performance accountability reports are already done by the audit division and we all have a copy of that.

Rep. Rohr: We went through that last week. It got down to amendment 4002, we were waiting on information for the PELL grant language.

Rep. Mock: Randal Thursby's recommendation on 2g and 2h was to change "eligible" to "awarded".

Chairman Flakoll: If section 2 doesn't come out, I won't support the bill. That is the first thing we need to figure out. We need to look at what percent of the total state population had some type of higher education experience or degree.

Chairman Flakoll: Closed the conference committee.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
4-22-13
21412

☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to a performance and accountability report by the state board of higher education

Minutes:

| You may make reference to "attached testimony." |

Chairman Flakoll: opened the conference committee on SB 2032. All present.

Chairman Flakoll: Are you locked in on section 2?

Rep. Rohr: Yes we are.

Rep. Mock: I'm curious if the follow up and the evaluation following the performance audit would meet the criteria. I would hope instead of requiring a completely separate performance audit, we would have the legislative intent be the report be submitted to legislative management with a specific focus on graduation rates, retentions, etc.

Chairman Flakoll: I have an email from Laura Glatt (Attachment #1) Has anyone read the financial statement audit, compliance audit, or internal control audit?

Ben Koppelman: I read the February 4th.

Senator Heckaman: We are just looking at data so all we have to do is call the office and ask for data. That is not a performance audit. I don't think we need a performance audit to do that.

Rep. Koppelman: Does what this bill describe equal a performance audit mentioned in section 2?

Chairman Flakoll: In my mind those are two different things. There are 27-32 measurables. This would add to that.

Rep. Rohr: Section two would be conducted during the interim and be available to a 2013 legislature.

Senator Poolman: I don't think we are questioning whether it would be possible to conduct a performance audit in the interim. We are questioning how practical, reasonable, or effective doing another performance right away would be.

Chairman Flakoll: What qualifies them to make recommendations?

Rep. Koppelman: The value of any audit the auditor's office does is to conduct one cohort against another cohort. If they just completed an audit in December 2012, and were to do one in 2014, that gives you a two year cycle where you measure one against the previous.

Chairman Flakoll: Is it based on their priorities? We haven't been very instructive.

Rep. Koppelman: For the things listed in this bill and the measurements needed, it would do that. Maybe performance audit isn't the right word but the goal is to achieve the data required in section one.

Senator Heckaman: Have any of us called the University System office to find out if we can get this data without going through an audit?

Rep. Rohr: I thought that the response we received from Mr. Thursby from the University System office said that.

Rep. Mock: The way section 2 is worded is not what we should be looking at. We are looking for data so we have standards we can compare year after year. A performance audit answers bright line questions. I would not like to see section 1 lost. We could revise section 2 so the data is presented to the legislature.

Chairman Flakoll: What was the House's intent with efficiencies and structural effectiveness? If the six of us aren't sure, what will a broader audience interpret? They will interpret whatever they want.

Rep. Rohr: We will return with clarity on that section.

Rep. Mock: Are there any other areas of section 1 that need further elaboration before we hang the fate of SB 2032 on Section 2.

Chairman Flakoll: My point was that for many, section 2 is the poison pill.

Rep. Mock: If we still have to visit, are there other directives that need to be done? Is there anything else we need to prepare?

Chairman Flakoll: Some people think that willfully intentionally misreporting information should be a felony and in the Dickinson State situation, someone should go to jail.

Chairman Flakoll: Adjourned the conference committee.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
4-23-13
21427

☒ Conference Committee

Committee Clerk Signature	

Explanation or reason for introduction of bill/resolution:

Relating to a performance and accountability report by the state board of higher education

Minutes:

Chairman Flakoll: opened the conference committee on SB 2032

Senator Poolman: Are we going to move on section 2?

Chairman Flakoll: We will take the bill to the floor and dispose of it if you don't get rid of section 2.

Senator Heckaman: I move the Senate Accede to the House amendments

Senator Poolman: Second

Rep. Mock: We had some interest in further amending to remove section 2.

Senator Heckaman: Withdraw my motion

Senator Poolman: Withdraw my second

Rep. Rohr: I make a motion to remove section 2 on the engrossed version of SB 2032 with the House amendments.

Rep. Koppleman: Second

A roll call vote was taken to remove section 2: 6 yeas, 0 neas, 0 absent.

Rep. Mock: Related to PELL eligibility, changing the language from "eligible for " to "awarded" would be the recommendation on subsections g and h. **I would move to change "eligible" to "awarded".**

Rep. Koppleman: Second

A roll call vote was taken to change "eligible" to "awarded" 6 yeas, 0 neas, 0 absent

Chairman Flakoll: Eventually this may turn to a hog house amendment.

Rep. Rohr: Will you have it done as a hog house?

Chairman Flakoll: No. We will eventually get to that point.

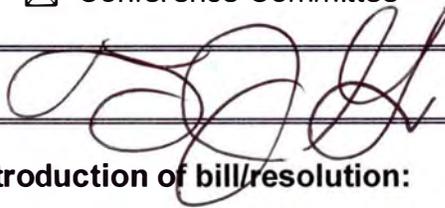**Chairman Flakoll**: Adjourned the conference committee.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
4-26-13
21534

☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to a performance and accountability report by the state board of higher education

Minutes:

> You may make reference to "attached testimony."

Chairman Flakoll: opened the conference committee on SB 2032. All members present. I have the 4003 amendments (Attachment #1)

Rep. Rohr: Asked him to qualify the language of a full time student.

Chairman Flakoll: The intent is we don't want the hobby student or a very part time student chipping away as part of the data set.

Rep. Rohr: When this becomes law, the university system will determine what the full time student will be before they disseminate the information?

Chairman Flakoll: Correct and those have been pretty static throughout the years. There is a gentle move, it was at twelve credits but there is a move to make that 15.

Rep. Koppelman: Have we defined full time for the purpose of state law to be 15?

Chairman Flakoll: We have allowed the NDUS to set a policy of what they deemed as a full time student.

Alice Brekke: From a federal financial aid standpoint, full-time is 12 credits. At UND 12 credits is the definition of full time. We encourage students to take more in order to complete in the four years. We are looking at the impact of redefining it at 15.

Chairman Flakoll: Do you have suggested language or is full time okay?

Alice Brekke: For us to be able to present data for the university, we can present it in a variety of ways. If you are comparing with peer institutions, IPEDS definitions would dictate.

Rep. Koppelman: We don't want to create a loophole where they can manipulate.

Alice Brekke: That creates the comparability nationally.

Chairman Flakoll: What do we do in terms of the medical school? What are the levels of full time?

Alice Brekke: Once they are in residency that does not generate credits. Whatever we report in IPEDS is your nationally comparable data.

Rep. Rohr: We should consider full time students as reported by IPEDS? I like defined better.

Chairman Flakoll: Anita changed it to those receiving on g, the numbers of students that received a PELL grant and h, did not receive a PELL grant.

Rep. Rohr: The term eligible was recommended.

Rep. Koppelman: The term was awarded.

Rep. Mock: If we could check if there is a difference being awarded and receiving it? I want to make sure the language is consistent.

Alice Brekke: I don't have a specific answer for you and I would certainly suggest that checking with one of our financial aid folks would be an important step to take.

Rep. Rohr: Is that not the objective from the very beginning?

Rep. Mock: I have been visiting with individuals that provide support services. They said awarded would be acceptable. I want to make sure the term received doesn't create a different category. We may have to reconfigure the data if students don't accept the dollars that they were awarded.

Chairman Flakoll: We have two challenges in subsection 3; Resident and non-resident.

Alice Brekke: There is not an issue to identify resident and non-resident. If you want us to compare with peer institutions, it isn't clear to me if we have the ability to parse the peer data between resident and non-resident.

Rep. Rohr: How can we determine whether that is available?

Alice Brekke: That would be who reports the IPEDS data.

Chairman Flakoll: We could do it to the extent available that they report it.

Alice Brekke: Our data, we are able to report it in that fashion. It's the question of whether the IPEDS data are available in a way that you can match it up in a similar fashion.

Rep. Rohr: Which would be the most appropriate in challenging the institutions to raise the bar in the quality of education?

Alice Brekke: A few small institutions will have problems getting 15 peer institutions because of the number of variables used to measure comparability as a peer.

Chairman Flakoll: Do you feel comfortable with the peers picked system wide?

Alice Brekke: The vetting process was very lengthy.

Chairman Flakoll: That occurred once where they swapped out up to one.

Alice Brekke: I don't believe there was a review of that second round. The next round was more data driven.

Rep. Rohr: The two science schools were the only two that had trouble with 15 peer institutions.

Alice Brekke: I am not sure how many schools.

Rep. Rohr: If we left it at 15 then the report should identify then for these particular institutions, what the peer institution threshold is and where they got it from.

Chairman Flakoll: As an example in the case of UND it would list the 12 campuses that are used to determine the comparable benchmark data for UND to their peer institutions.

Alice Brekke: In our case, most would have 15 some would only have 8 or 10. Are you suggesting the 8 or 10 be acceptable because that's what they have?

Chairman Flakoll: The number is what the number is. These are not weighted by student numbers. If one of your peers has an enrollment of one hundred thousand verse fourteen thousand, one is at six and one is a four the average is still five correct?

Alice Brekke: Correct. When the peer institutions, there is a listing of the criteria and the variables that were measured to determine comparability. Finding a university with a law school and medical school of that size is difficult. Variables are traded.

Chairman Flakoll: Section 2 is the provision on falsification of data. It is one step up from current law. Some would refer to this as the Dickinson State amendment.

Rep. Rohr: My concern was isn't there a risk management agency where something like that would be reported and discussed?

Chairman Flakoll: There is a variety of sanctions. We have everything from diploma mills with sanctions. A number of things could or have been investigated.

Rep. Rohr: The obligation is the duty to report unethical behaviors. Is there an education process in place for these people so it doesn't get to the point of a class C felony?

Chairman Flakoll: Section 3 is the legislative intent language.

Chairman Flakoll: Adjourned the conference committee

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
4-26-16
21548

☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to a performance and accountability report by the state board of higher education

Minutes:

Attachment

Chairman Flakoll: opened the conference committee on SB 2032 and asks Lisa Johnson to speak.

Lisa Johnson, NDUS office: Speaks about the IPEDS and explains the printout of the variables. (Attachment #1)

Rep. Koppleman: I noticed you said IPEDS doesn't include resident and non-resident in the national variables. When they compare to peer institutions, are we bound by what IPEDS can do?

Lisa Johnson: They can supply resident and non-resident data. Resident and non-resident is not delineated in the data.

Chairman Flakoll: In some cases they are comparing resident and non-resident data, it may be more internal comparison verses external.

Senator Poolman: Why do we need this.

Lisa Johnson: IPEDS is somewhat out of our control.

Chairman Flakoll: Do you have any other suggested language.

Lisa Johnson: They report 4 year, 6, and 8 graduation retention type data. Year 5 you might have to rely on the institutional system data. The other is a clarification when you are looking at retention rate, is that degree seeking students?

Rep. Mock: If we collect 4, 5, and 6, are we able to provide a good peer comparison to other States.

Lisa Johnson: It is derived data so they calculate that for us. As we upload our student data that is being calculated by IPEDS for us. They are tracking 4,6,& 8.

Rep. Mock: We are not compromising the data by us not laying it out as 4,6, & 8.

Chairman Flakoll: If we say federally defined, full time degree seeking students.

Rep. Koppleman: If we use the term degree seeking, I don't understand what that quantifies that full time does not.

Lisa Johnson: When I look under your version 5000 2A, there is not a mention of full time.

Chairman Flakoll: Federally defined full time students is okay?

Lisa Johnson: Yes.

Anita Thomas: If we are talking about federally defined full time students that doesn't give us guidance statutorily. Am I able to reference IPEDS? (Intragrated Post-secondary Educational Data System)

Rep. Mock: Awarded is fine but in subsection H if we were to say not awarded a PELL Grant it raises the question why aren't they. My hope with adding the language awarded, we will have a comparison. Could we do that if council felt comfortable removing subsection H.? The change in G, awarded would be no problem.

Chairman Flakoll: We could say those under subsection G.

Rep. Rohr: What will this do?

Rep. Mock: It will give us the information including the criteria of students awarded a PELL Grant. 41% of students are awarded PELL Grants. It would give us the comparison of graduation retention rates of students, low income compared to non-low income peers. It would give us the data in how we are addressing the challenges of our low income students verses those that are not.

Rep. Koppelman: If I follow what we have done here, we went from eligible, non-eligible, to awarded and not awarded to receive and did not receive. Are back to one awarded and one eligible now?

Chairman Flakoll: What if they were eligible by year one, but in year three

Rep Mock: If they receive any federal dollars, they are required by federal law to …this would give that same data to us based on the criteria. Some go from being under their parents criteria to not under their parents. Is our intent to say if they were ever eligible they are part of that data set?

Rep. Koppelman: I think received works. If we do need to keep this in the bill, received sounds as good as anything to me

Chairman Flakoll: H is those not eligible under subsection G.

Rep. Rohr: Do we really need this in here?

Rep. Koppleman: Some concerns were for resident and non-resident. If we put initially enrolled that would govern that data set going forward.

Chairman Flakoll: I think the data set is more important internally than it is between our State and other States. We can get resident and non-resident data anytime.

Rep. Koppleman: This is a one stop shop for information. There has been concern with the cost of higher education that how much is going to non-resident verses resident. The information would be helpful for those types of conversations.

Chairman Flakoll: We just want to know how they perform.

Rep. Koppleman: In that sense it may be helpful to know how our high schools are preparing students for college verses ones that come from elsewhere.

Chairman Flakoll: Not all of the campuses have 15 peers, need to overstrike some of that to say compared to the legislative management 2005-2006.

Rep. Rohr: Are you taking out the terms? Sounds great in the language but is that what the intent will be in a legal view.

Chairman Flakoll: It is already in the reports. We have the lists from the colleges.

Rep. Koppleman: I reviewed the Section for giving false information under oath, is it appropriate in this bill to raise this one type of offense higher than everything else we do under oath, in that more broad section.

Chairman Flakoll: I would not feel comfortable in expanding it beyond this. It is confined to the conditions that are within this bill.

Rep. Koppelman: To that end, the current governing language for this type of event is a person guilty of a Class A misdemeanor if in a governmental matter he makes false written statement. I wonder if this is over-kill.

Rep. Rohr: I would like to delete section 3. Who's intent is it?

Chairman Flakoll: That would be this committee and what they decide on the floor. There is value in saying we have goals. The trained workforce is the objective of the bill.

Rep. Koppelman: Legislative intent language should be vetted through the lengthier bill process between both Chambers. I think this is pretty broad language to add in a conference committee setting.

Chairman Flakoll: adjourned the conference committee

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
4-29-13
21592

☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to a performance and accountability report by the state board of higher education

Minutes:

Chairman Flakoll: Opened the conference committee. All members were present.

Chairman Flakoll: Passed out the .04004 amendment. (Attachment #1)

Aimee Copas, **NDUS**: When we talk about the peer institutions on number 3, is that the peers that we want to use or do we want the IPEDS peers?

Chairman Flakoll: It would be the peers from the 2005-06 but using comparable IPEDS data. We went with that set of peers.

Aimee Copas: What I am hearing is that, for example, we have NDSU and then we have an aggregate of all the peers and their data. I commend you on going with IPEDS. That data is nationally available for everyone and it is not bias.

Rep. Koppelman: We would like to see nonresident and resident stats available and is that something that could be consider for a statistic?

Aimee Copas: I'll pass that on and will put in the resident vs. nonresident.

Chairman Flakoll: We have had the language for students with and without PELL grants. Do you fully understand this?

Aimee Copas: If we are talking about receiving it or not receiving it, yes. If we are talking about eligible, that is difficult.

Rep. Koppelman: There was some concern about the term resident and nonresident not being defined. I thought we were going to clarify that at the time of initially enrolling?

Chairman Flakoll: We want to know those that graduate from a High School outside of the state of North Dakota.

Aimee Copas: We would need to add that. There is validity to doing that.

Chairman Flakoll: Do we wish to further amend this with Anita?

Rep. Rohr: Do we want to make these changes now or wait until we roll it out.

Aimee Copas: What data are you looking for? Almost 50% are non-traditional age so that k-12 education will be less necessary. It is a question of what you want to know. We can break out by tuition and high school.

Senator Heckaman: I think we have enough information in this and then the next session we could add more information.

Chairman Flakoll: All things prior to that are to be in the data set.

Aimee Copas: The information is in ConnectND so we can do it. We can pull out the data on the basis of that. When we pull the data set, the source will be ConnectND since they don't do in state or out of state on the national level. We will follow IPEDS definition.

Chairman Flakoll: Committee, anything else?

Senator Heckaman: **I would move the house recede from its amendments on engrossed SB 2032 and further amend. Amendment 130193.04004**

Senator Poolman: Second

Rep. Koppelman: I think we have some issues in section 2 and 3.

Senator Heckaman: Withdraw motion

Senator Poolman: Withdraw the second

Rep. Rohr: We still think section 2 is still too steep.

Chairman Flakoll: This seems like a much higher threshold.

Rep. Koppelman: The section we are referencing doesn't have any penalty listed, the section that does would pertain to any other agency or branch of government employee. If they falsify the report it would cost much more than $1,000. I don't think it is the right way to amend law and I don't think it should be taken out.

Rep. Rohr: In section 3, I feel this is just too big of a goal at this time. I would advocate deleting that section.

Chairman Flakoll: Passed attachments and explained them. **(**Attachments #2, #3, and #4)

Rep. Koppelman: Disagreed.

Chairman Flakoll: Then it is just fluff.

Rep. Mock: I can support section 3. It is legislative intent, so it is not binding. It is merely a goal we are asking for our university system to strive for.

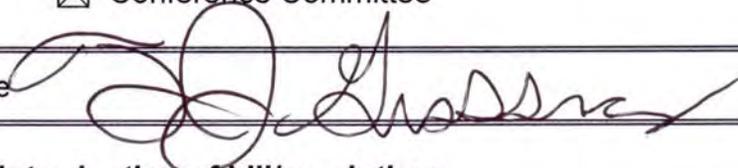**Chairman Flakoll**: Closed conference committee.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
4-29-13
21608

☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to a performance and accountability report by the state board of higher education

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll: opened the conference committee. All members present.

Rep. Rohr: I have an amendment (Attachment #1) The amendment you gave us had section 2 and 3 added so this amendment is what we agreed upon last week without those last two sections.

Rep. Koppelman: On the original bills there was concern about smaller points like how we define some of the benchmarks and what standards we use. The big difference was we required a performance audit on our side and that was your deal killer. Then there were some other things like we wanted to maintain the national benchmark language. We agreed we would use things like first time students and peer comparisons. We are trying to go back to where it sounded like this was hashed out.

Chairman Flakoll: We would be prepared to take out the class C. Felony but not the 60%.

Rep. Koppelman: I move the 4005 amendment

Rep. Rohr: Second

Chairman Flakoll: In the spirit of discussion the House talked about, feeling we shouldn't be amending anything that didn't have a hearing, I marked up the House's version and several sections did not have any hearing on them. All of page 2 and 3 were House amendments that had no hearing.

Rep. Mock: The section related to the performance audit did not have a hearing. Is that correct?

Chairman Flakoll: Correct. As did most of page two.

Rep. Koppelman: Although the House Education committee didn't have a hearing on that way, a lot were put together with data collected in response to the comments made in testimony and the corresponding research that went in the bill you sent us. If there were problems with some of the language we amended in like the performance audit, I understand debating that but I don't understand bringing in new concepts entirely that don't have a lot to do with the direction the rest of the bill is going.

Rep. Mock: This is just a motion to amend the bill but it is not the final motion where either the House recedes from their amendments and further amends. This is just to offer an amendment for the bill we will have before us. Is that correct.

Chairman Flakoll: The motion wasn't made to recede so the amendment will be taken individually.

Rep. Mock: My understanding is that passage of this 4005 amendment may provide a death sentence for the bill in the Senate.

Chairman Flakoll: The Senate is ready to kill the bill. We may have prolonged this.

Rep. Mock: I believe this is a good bill. I am concerned that removing the non-binding legislative intent language will jeopardize passage of the bill. I will resist the motion. There is too much to gain by passing 2032 and legislative intent provides some benchmarks.

Chairman Flakoll: Does this have any data in here that we couldn't request without requiring this bill?

Rep. Koppelman: The purpose of this bill was to make sure the data was collected, preserved, and readily available when we get to the legislative session so we don't have to make an individual request to get information. Prior to section 2 and 3 added, that would be my response.

Chairman Flakoll: There is no requirement of when it has to be completed by or a report to legislative management is there with the amendments?

Rep. Koppelman: Under section 1 it says annual report so I would assume by the end of next school year.

Chairman Flakoll: Do you view a report as an oral report or a booklet?

Rep. Koppelman: It would be electronic or booklet style. It would be something you could print out on pages and read.

A roll call vote was taken to adopt the 4005 amendments to SB 2032: 2 yeas, 4 nays, 0 absent. Motion fails

Rep. Mock: I would move the House recede from the House amendments on SB 2032 and further amend with the 4004 amendments except section 2

Senator Poolman: Second

A roll call vote was taken for the House to recede from the House amendments on SB 2032 and further amend with the 4004 amendments except section 2: 4 yeas, 2 nays, 0 absent

MOTION FAILS for a lack of 2 votes on each side.

Senator Poolman: I would move senate accede to the House amendments

Senator Heckaman: Second

A roll call vote was taken for the Senate to accede to the House amendments: 3 yeas, 3 nays, 0 absent.

MOTION FAILS for a lack of 2 votes on each side.

Silent from 15:07-19:09

Chairman Flakoll: We are arguing on an amendment proposed that says by 2025 60% of of the working age would have some educational background in terms of a 2 year, 4 year, or beyond degree. Has the system office or board adopted anything similar to that in terms of goals? We can increase graduation rates very easily but if we don't have a trained workforce as a result of that, we have gone backwards. Has there been any discussion or votes on that.

Duane Espegard, President of North Dakota Board of Higher Education: I am familiar with this kind of graduation education for the workforce. It calls here for 60%, and 70%. We would certainly be in favor of that. Our percentage is pretty high anyway. We do not have a policy but if you adopt this which we would be in favor of, I am sure we would too.

Rep. Koppelman: Is there anything currently in statute that would run counter to having that goal in the higher education system? In the absence of this being in a bill like this, would goals similar to the Lumina Foundation's report be something you would be putting into your policy as a recruitment goal or a graduation goal.

Duane Espegard: No to the first question. Yes we would to the second question. I can't speak for future boards but I yes we would. We are getting quite a bit better educated in North Dakota and we should be proud of our rates now but it could be better.

Chairman Flakoll: What is more important, graduation rate percentages or a higher trained workforce?

Duane Espegard: I don't know there is one more important than the other. Having a highly trained workforce is very important. I don't think they are much different. I think they run together.

Chairman Flakoll: Graduation rates are a subset of trained workforce.

Duane Espegard: I would agree with that.

Rep. Koppelman: In the legislative intent language, how are the terms well educated and skilled workforce measured? Who determines that?

Chairman Flakoll: Job Service.

Rep. Koppelman: Job Services will define what our legislative intent is?

Chairman Flakoll: We define it and they track that. They are the trackers.

Senator Poolman: When we talk about well-trained or well-educated and skilled workforce, that is the state's compelling interest in having a higher education system. We might have other people trained to do other jobs. We are talking about a certain percentage of jobs that is predicted necessary in the next 12 years that need some sort of post-secondary education. We are talking about postsecondary education for different types of jobs.

Rep. Mock: I would move the House recede from the House amendments and further amend with amendment 4005 and add section 2 from the 4004 amendments.

Senator Poolman: Second

A roll call vote was taken for the House to recede from the House amendments and further amend with amendment 4005 with section 2 of the 4004 amendments: 4 yeas, 2 nays, 0 absent.

MOTION FAILS for a lack of 2 votes on each side.

Chairman Flakoll: Meeting adjourned.

2013 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee
Missouri River Room, State Capitol

SB 2032
4-30-13
21620

☒ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to a performance and accountability report by the state board of higher education

Minutes:

You may make reference to "attached testimony."

Chairman Flakoll: Opened the conference committee.

Chairman Flakoll: All members are present. The meeting was between the gavel marks. Meeting adjourned.

2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2032 as (re) engrossed

Senate Education Committee

Action Taken
☐ SENATE accede to House Amendments

☐ SENATE accede to House Amendments and further amend

☐ HOUSE recede from House amendments

☐ HOUSE recede from House amendments and amend as follows

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

☒ ✓ remove Section 2

Motion Made by: _____ Seconded by: _____

Senators			Yes	No	Representatives			Yes	No
Senator Flakoll	✓	✓	✓		Rep. Rohr	✓	✓	✓	
Senator Poolman	✓	✓	✓		Rep. B. Koppelman	✓	✓	✓	
Senator Heckaman	✓	✓	✓		Rep. Mock	✓		✓	
Total Senate Vote					Total Rep. Vote				

Vote Count   Yes: _____   No: _____   Absent: _____

Senate Carrier _____ House Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. 2052 _____ as (re) engrossed

Senate __Education__ Committee

Action Taken ☐ SENATE accede to House Amendments

☐ SENATE accede to House Amendments and further amend

☐ HOUSE recede from House amendments

☐ HOUSE recede from House amendments and amend as follows

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Amendment to change awarded to eligible

Motion Made by: _____ Seconded by: _____

Senators			Yes	No		Representatives				Yes	No
Senator Flakoll			✓			Rep. Rohr				✓	
Senator Poolman			✓			Rep. B. Koppelman				✓	
Senator Heckaman			✓			Rep. Mock				✓	
Total Senate Vote						Total Rep. Vote					

Vote Count   Yes: ___6___   No: ___0___   Absent: ___0___

Senate Carrier _____ House Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. _____2032_____ as (re) engrossed

Senate _Education_____ Committee

Action Taken   ☐ SENATE accede to House Amendments

☐ SENATE accede to House Amendments and further amend

☐ HOUSE recede from House amendments

☒ HOUSE recede from House amendments and amend as follows

Motion Withdrawn

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _Heckaman_____   Seconded by: _Poolman_____

Senators	4-26	4-26	4-29	Yes	No		Representatives	4-26	4-26	4-29	Yes	No
Senator Flakoll	✓	✓	✓				Rep. Rohr	✓	✓	✓		
Senator Poolman	✓	✓	✓				Rep. B. Koppelman	✓	✓	✓		
Senator Heckaman	✓	✓					Rep. Mock	✓	✓	✓		
							Withdrawn					
Total Senate Vote							Total Rep. Vote					

Motion Withdrawn

Vote Count   Yes: _____   No: _____   Absent: _____

Senate Carrier _____   House Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. _____**2032**_____ as (re) engrossed

Senate _Education_ Committee

Action Taken
☐ SENATE accede to House Amendments

☐ SENATE accede to House Amendments and further amend

☐ HOUSE recede from House amendments

☐ HOUSE recede from House amendments and amend as follows

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

☒ Adopt 4005 amendment

Motion Made by: _Koppelman_   Seconded by: _Rohr_

Senators			Yes	No	Representatives			Yes	No
Senator Flakoll	/			/	Rep. Rohr	/		/	
Senator Poolman	/			/	Rep. B. Koppelman	/		/	
Senator Heckaman	/			/	Rep. Mock	/			/
					Motion Fails				
Total Senate Vote			0	3	Total Rep. Vote			2	1

Vote Count   Yes: _2_   No: _4_   Absent: _0_

Senate Carrier _____   House Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Date 4-29-13

Roll Call Vote # 2

2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. _____2032_____ as (re) engrossed

Senate __Education__ Committee

Action Taken   ☐ SENATE accede to House Amendments

☐ SENATE accede to House Amendments and further amend

☐ HOUSE recede from House amendments

☒ HOUSE recede from House amendments and amend as follows
with 41004 amendments except section 2

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _Mock_   Seconded by: _Poolman_

Senators			Yes	No		Representatives			Yes	No
Senator Flakoll			/			Rep. Rohr				/
Senator Poolman			/			Rep. B. Koppelman				/
Senator Heckaman			/			Rep. Mock			/	
				Motion fails						
Total Senate Vote						Total Rep. Vote				

Vote Count   Yes: ___4___   No: ___2___   Absent: ___0___

Senate Carrier _____   House Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. _____ **2032** _____ as (re) engrossed

Senate _Education_____ Committee

Action Taken ☒ SENATE accede to House Amendments

☐ SENATE accede to House Amendments and further amend

☐ HOUSE recede from House amendments

☐ HOUSE recede from House amendments and amend as follows

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _Poolman_____ Seconded by: _Heckaman_____

Senators			Yes	No	Representatives			Yes	No
Senator Flakoll			✓		Rep. Rohr				✓
Senator Poolman			✓		Rep. B. Koppelman				✓
Senator Heckaman			✓		Rep. Mock				✓
Total Senate Vote					Total Rep. Vote				

Motion Fails

Vote Count   Yes: 3   No: 3   Absent: 0

Senate Carrier _____ House Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

Date 4-29-13

Roll Call Vote # 4

2013 SENATE CONFERENCE COMMITTEE
ROLL CALL VOTES

BILL/RESOLUTION NO. ___2032___ as (re) engrossed

Senate ___Education___ Committee

Action Taken ☐ SENATE accede to House Amendments

☐ SENATE accede to House Amendments and further amend

☐ HOUSE recede from House amendments

☒ HOUSE recede from House amendments and amend as follows
4005 and add Section 2 from the 4004 amendments.

☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: _Mock_   Seconded by: _Poolman_

Senators			Yes	No	Representatives			Yes	No
Senator Flakoll			✓		Rep. Rohr				✓
Senator Poolman			✓		Rep. B. Koppelman				✓
Senator Heckaman			✓		Rep. Mock			✓	
Motion Fails									
Total Senate Vote					Total Rep. Vote				

Vote Count   Yes: _4_   No: _2_   Absent: _0_

Senate Carrier _____ House Carrier _____

LC Number _____ . _____ of amendment

LC Number _____ . _____ of engrossment

2013 TESTIMONY

SB 2032

Mr. Chair, members of the Committee, Good morning. My name is John Haller and I am the Interim VCAA for the NDUS. Thank you for giving me the opportunity to present information to you today.

After reading the proposed bill I was reminded of a comment attributed to Bill Gates of Microsoft: "We need to measure what matters," he said. "We need to know what the students learn, and what jobs they get…..However, we don't always know the answers because we are not always asking the right questions."

Given this observation, I believe that the additional data elements which the committee has identified are appropriate to the university system's annual performance and accountability reporting.

Until now most state appropriations have been driven by enrollment, meaning that funding is based on the number of students enrolled at a college or university at or near the beginning of the semester.

As a result, colleges and universities have had a financial incentive to boost enrollment at the start of the year, rather than make sure students successfully complete their classes and earn degrees.

Using these new data sets allow the state to align its fiscal policies with its statewide goals for workforce development and economic prosperity.

These data sets send a strong market signal alerting higher education leaders and faculty that state taxpayers expect a greater return on their investment, namely, higher student success and more graduates.

In point of fact, these data points are now a part of a REPORT CARD which the NDUS intends to prepare on an annual basis to demonstrate the progress achieved with our Pathways to Student Success plan which was recently approved.

These are also data points which we are about to pilot with our campuses as we prepare to embark on a productivity and performance-based funding strategy for public higher education financing in the future

And finally, these are data points that we will be including in the annual goals set for our institutional presidents.

Clearly, this is the beginning of an output-based system of accountability that can be used to link state funding with such data elements as courses completed, degrees produced, credentials with labor market value earned, and on-time completions. Such an approach incentivizes campuses to seek better performance on key metrics.

In supporting this bill to amend section 15-10-145.2 of the North Dakota Century Code, we believe that, in the coming years, data points such as these will provide new and innovative perspectives for higher education finance and a more accurate way to measure institutional productivity.

I thank you for the opportunity to comment on this bill.

8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

SECTION 7. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY MEASURES. It is the intent of the legislative assembly that the state board of higher education's performance and accountability report as required by section 15-10-14.2 include an executive summary and information regarding:

1. Education attainment, including:

   a. Proportion of population, 25 to 34 years of age, with an associate's degree or higher benchmarked against the national average and best-performing country.

   b. Number of certificates, associate, and baccalaureate degrees awarded to the eighteen year-old population six years prior benchmarked against the national average and best-performing state.

2. Accessibility, including:

   a. Proportion of recent high school graduates enrolled the following fall by county in two-year and four-year North Dakota university system institutions and nonpublic institutions to the extent information is available.

   b. Proportion of population, 25 to 44 years of age, with at least a high school diploma, enrolled in a credit-bearing course by county at either a two-year or four-year North Dakota university system institution or nonpublic institution to the extent information is available.

3. Contributions to economic development, including:

   a. Number of recent North Dakota university system graduates and graduates of nonpublic institutions, to the extent information is available, within the past three years employed in North Dakota benchmarked against historical trends.

   b. Number of recent North Dakota university system graduates and graduates of nonpublic institutions, to the extent information is available, within the last three years employed in North Dakota in jobs paying at least twice the amount established as poverty level in the state benchmarked against historical trends.

   c. Annual dollar amount of research expenditures by North Dakota institutions of funds received from federal, foundation, and business sponsors benchmarked against historical trends.

   d. Number of certificates and associate degrees awarded in vocational and technical fields benchmarked against historical trends.

   e. Number of baccalaureate degrees awarded in science, technology, engineering, and mathematics fields benchmarked against historical trends.

4. Affordability, including:

   a. Tuition and fees relative to the lowest quintile per capita income in the state benchmarked against the national average and the state with the lowest ratio.

   b. Percentage of family income (average of all income groups) needed to pay for college expenses after deducting grant aid benchmarked against the national average and the state with the lowest ratio.

    c.   Average amount of student loan debt incurred each year by undergraduate students benchmarked against the national average and the state with the lowest ratio.

5.   Education excellence, including:

    a.   Student performance on nationally recognized exams benchmarked against national averages.

    b.   First-time licensure pass rates benchmarked against the best performing states.

    c.   Alumni and student-reported satisfaction with preparation in selected major, acquisition of specific skills, and technology knowledge and abilities benchmarked against historical trends.

    d.   Employer-reported satisfaction with preparation of recently hired graduates benchmarked against historical trends.

6.   Financial operations, including:

    a.   Appropriations for general operations plus net tuition revenue per full-time equivalent student benchmarked against the national average and the best-performing state.

    b.   Student share of funding for general operations benchmarked against the national average and historical trends.

    c.   Number of degrees and certificates produced relative to annual state appropriations for general operations plus net tuition revenue benchmarked against the best-performing state.

7.   System functioning, including:

    a.   Number of student credit-hours delivered by North Dakota university system institutions to students attending another system institution benchmarked against historical data.

    b.   Results of a biennial survey of state leaders regarding the perceptions of the system's functionality benchmarked against historical data.

SECTION 8. STATE BOARD OF HIGHER EDUCATION - REPORTS TO SIXTY-SECOND LEGISLATIVE ASSEMBLY. Each institution under the control of the state board of higher education shall report to the appropriations committees of the sixty-second legislative assembly regarding:

1.   A comparison of the budgeted amounts to actual expenditures by major expenditure type for the fiscal year ending June 30, 2010.

2.   A comparison of the budgeted amounts to actual expenditures by major expenditure type through the most recent month available at the time the report is presented to the appropriations committees.

SECTION 9. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

1.   During the 2009-10 interim, the legislative council chairman shall appoint an interim higher education committee to study issues affecting higher education.

2.   The interim committee shall hold at least six education summit meetings to discuss topics that may include:

    a.   Alternative uses of institutions and changes to institutional missions;

    b.   Issues affecting two-year campuses;

ACCOUNTABILITY MEASURES REPORT FOR 2012

**Prepared for the State
Board of Higher Education**

NORTH DAKOTA
UNIVERSITY SYSTEM

ACCESS. INNOVATION. EXCELLENCE.
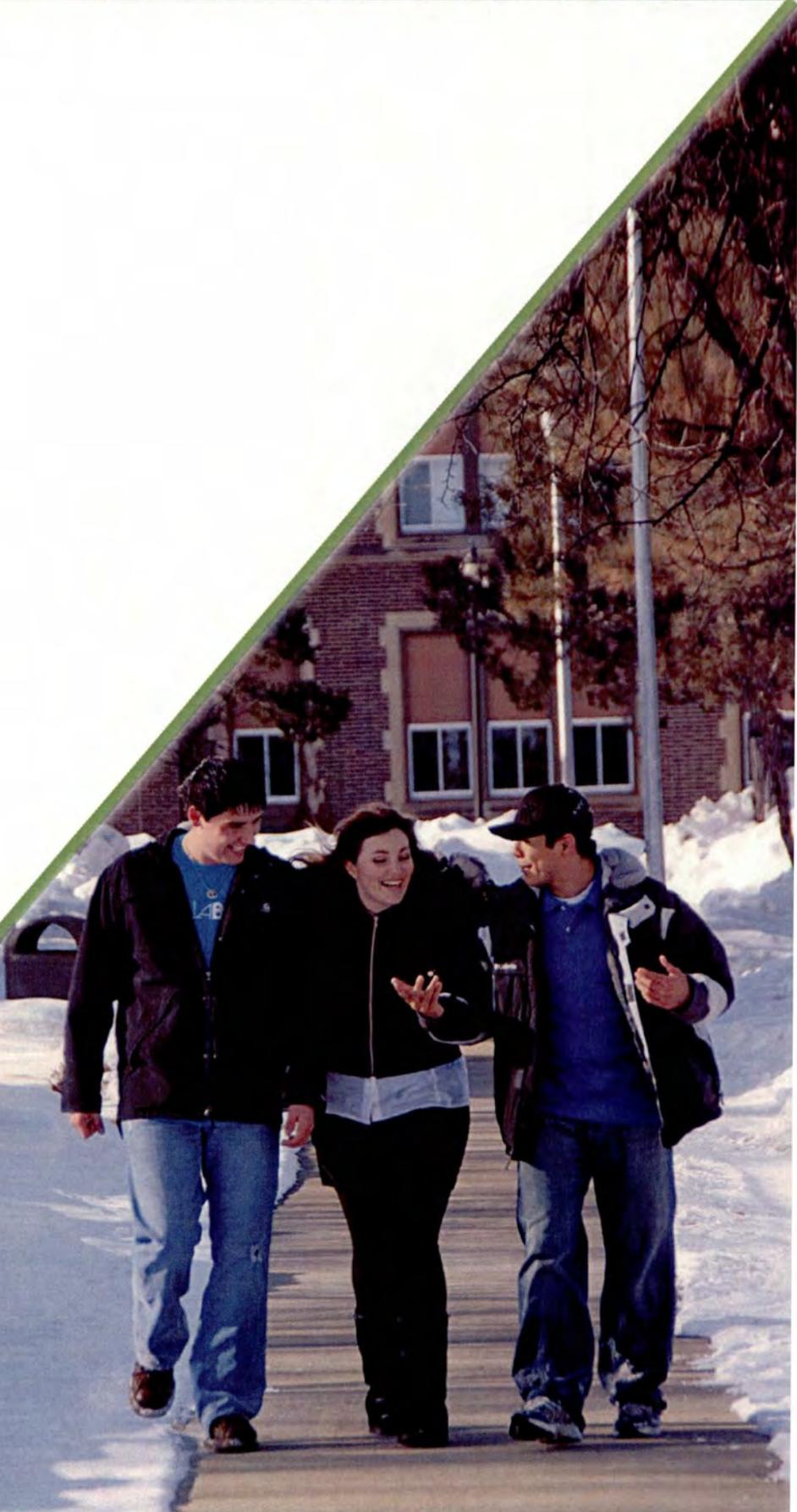
Five-Point Vision

To become a *premier* system of higher education in the nation

To offer measurable *quality* education

To significantly contribute to distributed economic and social development of North Dakota

To become the best system for *student success*

To improve quality and *keep costs down*

Pathways to Student Success is the Foundation

Five Initiatives Propel Us to Our Goal

Access

Quality

Affordability

Learning

Accountability

NORTH DAKOTA
UNIVERSITY SYSTEM

Table of Contents

An Overview of the North Dakota University System

The North Dakota University System (NDUS) is a unified system of higher education governed by one board. The system includes two doctoral universities, two master's-level universities, two bachelor's-level universities and five two-year colleges that offer associate and trade/technical degrees.
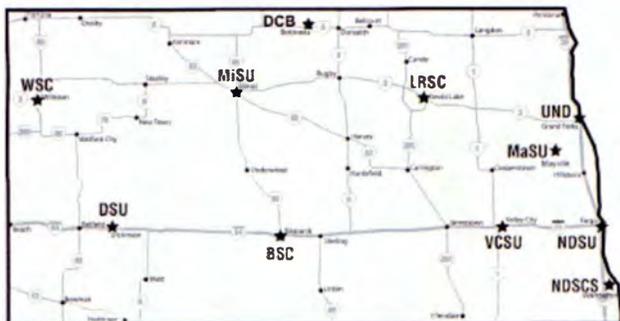
Bismarck State College (BSC)

Located in Bismarck, N.D., BSC is an innovative community college offering high-quality education, workforce training, continuing education and enrichment programs. The college prepares students for hundreds of careers through transfer courses, technical programs and a bachelor's degree in energy management. One of the state's leaders in online education, BSC offers many programs and courses entirely online. BSC's campus overlooks the Missouri River and is a vital part of North Dakota's thriving capital city.

Degrees: Associate degrees, diploma and certificate programs, and a bachelor of applied science in energy management
Fall 2012 Enrollment: 4,109
Telephone: 1.800.445.5073 or 701.224.5400
Website: *www.bismarckstate.edu*

Dakota College at Bottineau (DCB)

Located in Bottineau, N.D., DCB offers more than 30 hands-on career and technical programs, including horticulture, paramedic technology (EMT), nursing, wildlife and natural resources. A two-year college in north central North Dakota, DCB also is a great place to prepare for transfer to a university campus. Students enjoy a comprehensive college experience, including residence-hall living, student-life activities, and intramural and intercollegiate athletics. Thanks to DCB's extensive online offerings, students can take college courses no matter where they live. Varsity athletics include men's hockey, basketball, football and baseball and women's volleyball, basketball and fast-pitch softball.

Degrees: Associate degrees and diploma and certificate programs
Fall 2012 Enrollment: 774
Telephone: 1.800.542.6866 or 701.228.2277
Website: *www.dakotacollege.edu*

Dickinson State University (DSU)

Located in Dickinson, N.D., DSU is near the ruggedly beautiful North Dakota Badlands and Theodore Roosevelt National Park. DSU offers many bachelor's degrees including teacher education, business, computer science, agriculture, nursing and liberal arts, plus many associate degrees. In addition to the region's many recreational opportunities, students can be involved in varsity and intramural athletics and participate in diverse campus organizations.

Degrees: Bachelor's and associate degrees, certificate programs and graduate courses
Fall 2012 Enrollment: 1,837
Telephone: 1.800.279.4295 or 701.483.2175
Website: *www.dickinsonstate.edu*

Lake Region State College (LRSC)

Whether students are seeking technical training or a good place to begin an undergraduate degree, LRSC in Devils Lake, N.D., is prepared to help them achieve success. LRSC offers some one-of-a-kind, two-year programs, including law enforcement, wind energy technology and American Sign Language. Its simulator maintenance technology program – one of only a few in the nation – is a great choice for students interested in electronics. For students who enjoy the outdoors, Devils Lake and the surrounding region offer hunting, fishing, biking, snowmobiling and more.

Degrees: Associate degrees, diploma and certificate programs
Fall 2012 Enrollment: 1,974
Telephone: 1.800.443.1313 or 701.662.1600
Website: *www.lrsc.edu*

Mayville State University (MaSU)

Located in Mayville, N.D., MaSU is a personable rural eastern North Dakota campus with 70-plus academic programs and an enrollment of more than 1,000 students. Nationally identified for teacher education, MaSU's many other popular programs include business administration, computer information systems, and health and physical education. To meet student needs for flexibility and convenience, MaSU offers a variety of technology-enriched delivery options, beginning on campus where all full-time students are issued Tablet PC notebook computers.

Degrees: Bachelor's and associate degrees and certificate programs
Fall 2012 Enrollment: 1,020
Telephone: 1.800.437.4104 or 701.788.4842
Website: *www.mayvillestate.edu*

Minot State University (MiSU)

Located in Minot, N.D., MiSU is North Dakota's third-largest university and offers more than 60 undergraduate majors and several graduate degrees. MiSU has positioned itself to meet growth in fields such as criminal justice, management, nursing, social work, management information systems and marketing. Graduates from its master's program in speech-language pathology are in demand nationwide. Students benefit from small class sizes, strong athletic programs and an emphasis on campus and community engagement. Minot is home to the Minot Air Force Base.

Degrees: Master's, bachelor's and education specialist degrees and certificate programs
Fall 2012 Enrollment: 3,560
Telephone: 1.800.777.0750 or 701.858.3000

Website: *www.minotstateu.edu*

North Dakota State College of Science (NDSCS)

NDSCS offers degrees, certificates and diplomas in more than 80 academic options in traditional career, technical studies and liberal arts transfer programs. With locations in Wahpeton and Fargo, N.D., NDSCS also offers 170 courses and 13 programs online.

Degrees: Associate degrees and diploma and certificate programs
Fall 2012 Enrollment: 3,066
Telephone: 1.800.342.4325
Website: *www.ndscs.edu*

North Dakota State University (NDSU)

Located in Fargo, N.D., NDSU's eight colleges offer high-quality educational programs for a multitude of successful careers. The university's annual research expenditures exceed $120 million, and undergraduate and graduate students have exciting opportunities to participate in cutting-edge research. NDSU offers everything from Division I athletics to regionally recognized fine arts. NDSU is considered one of the top student-focused land grant research universities in the country.

Degrees: Professional, doctoral, master's and bachelor's degrees and certificate programs
Fall 2012 Enrollment: 14,443
Telephone: 1.800.488.6378 or 701.231.8643
Website: *www.ndsu.edu*

University of North Dakota (UND)

Located in Grand Forks, N.D., and founded in 1883, the University of North Dakota is characterized by a creative, innovative and entrepreneurial spirit; a solid foundation in the liberal arts; a comprehensive array of colleges and schools, including law and medicine; high-quality students and faculty; a varied curriculum; a commitment to graduate education, research and service; and a campus environment rich in cultural resources. UND has established an international reputation for research and scholarship, notably in aerospace, energy and environmental protection, engineering, the health sciences and nutrition. UND is home to one of the best college hockey programs in the nation. Grand Forks is a river city rich in culture and commerce.

Degrees: Professional, doctoral, specialist, master's and bachelor's degrees and certificate programs
Fall 2012 Enrollment: 15,250
Telephone: 1.800.225.5863 (1.800.CALL.UND) or 701.777.4463
Website: *www.und.edu*

Valley City State University (VCSU)

Located in Valley City, N.D., VCSU has been named to *U.S. News & World Report's* best colleges list every year for the past 15, and was named the No. 1 public regional college in the Midwest for the second year in a row. VCSU offers more than 80 bachelor-level degree programs in teacher education, information technology, business, science, health, communication, social science and fine arts. Online offerings include a master of education degree. Recent facility updates include renovated residence halls and a $10.3 million renovation/expansion of the science center. Student activities are many and diverse.

Degrees: Bachelor and master's degrees and certificate programs
Fall 2012 Enrollment: 1,362
Telephone: 1.800.532.8641 or 701.845.7101
Website: *www.vcsu.edu*

Williston State College (WSC)

Students who pursue associate degrees at WSC can specialize in more than 70 academic areas and transfer to four-year colleges with junior status. Students in WSC's cutting-edge career and technology training programs can be job-ready in two years or less. New programs include welding technology and petroleum production technology. Other offerings range from nursing to diesel mechanics. Located in Williston, N.D., at the confluence of the Missouri and Yellowstone rivers, the Williston area offers rugged beauty and a robust, oil-fueled economy.

Degrees: Associate degrees and diploma and certificate programs
Fall 2012 Enrollment: 808
Telephone: 1.888.863.9455 or 701.774.4200
Website: *www.willistonstate.edu*

An Executive Summary

The North Dakota University System is pleased to provide you its *2012 Accountability Measures Report*. Borne out of legislative expectations expressed in 2001 as part of SB 2003, the University System budget bill, this report demonstrates some of the ways the NDUS is providing high-quality education and enhancing North Dakota's economy.

In this dual role, NDUS colleges and universities are educating future leaders who will provide the talent, energy and innovation to keep North Dakota competitive in today's knowledge-based economy. The 2001 legislative action resulted in formation of the Roundtable on Higher Education, an initiative that has contributed to dramatic increases in the estimated economic impact of the University System over the past 12 years, climbing from $1.6 billion in 1999 to $4.4 billion in FY 2011*.

Overall, the colleges and universities that make up the North Dakota University System perform very well when compared to other states and national standards. A summary of key findings follows.

- In FY 2012, 1,765 businesses were served by TrainND, North Dakota's workforce training system, and 18,466 employees were trained.

- Research grew by 19 percent between FY 2008 and FY 2012 with $215 million in research expenditures in FY 2012.

- Based on NDUS adjusted graduation rates from all institutions, 46 percent of NDUS two-year college students completed degrees within three years, and 56 percent of four-year university students completed degrees within six years.

- In 2010-11, it took 32.2 percent, on average, of the lowest-quintile North Dakota family income to pay for tuition and fees at NDUS four-year and research universities, compared to 44.1 percent nationally and 18.4 percent in Wyoming, which had the lowest ratio. At NDUS two-year institutions, it took 19.2 percent, on average, compared to 15.9 percent nationally and 4.4 percent in California, which had the lowest ratio.

- On average, 14.1 percent of the 2011 median North Dakota family income was needed to pay for college at NDUS four-year and research universities after grant aid was deducted. This compares to a national average of 17.6 percent and 9.9 percent in Wyoming, which had the lowest ratio. On average, 8.6 percent of family income was needed to pay for college at NDUS two-year colleges.

- In 2011-12, undergraduate and graduate students in North Dakota borrowed an average of $4,467 compared to the national average of $4,760 and $4,130 in Maine, which had the lowest average.

- 50.4 percent of North Dakota's 25- to 34-year-old population has associate degrees or higher, compared to 40.1 percent nationwide.

- With $12,234 in state and student contributions per FTE student in the 2009-11 biennium, North Dakota's four-year universities, on average, rank 12th lowest in the nation compared to the national average of $13,974 per FTE student. Connecticut has the highest average of $22,691 per FTE student.

  With $8,765 in state and student contributions per FTE student in the 2009-11 biennium, North Dakota's two-year colleges rank 9th highest in the nation compared to the national average of $6,444 per FTE student. Alaska has the highest average of $25,212 per FTE student.

- In the 2009-11 biennium, net tuition and fee revenues accounted for an average of 56 percent of the total funding when combined with appropriations at North Dakota four-year universities and 41 percent at NDUS two-year colleges. This compares to a national average student share of 50 percent at four-year universities and 29 percent at two-year colleges.

- The average per-capita state general fund appropriation for the 2009-11 biennium was $813, an increase of 37 percent since the 2001-03 biennium.

- In FY 2012, the NDUS generated 70 percent of its total revenues, either internally from fees for services or externally from gifts, grants and contracts.

- The average cost per degree awarded by NDUS four-year universities in 2010-11 was $60,603, which is about 3.6 percent more than the national average. At $31,001 per degree or certificate awarded, Florida ranks best in this measure. The 2010-11 NDUS two-year college average per degree or certificate was $26,837, which is 16 percent less than the national average of $31,917. At $9,011 per degree or certificate awarded, Louisiana ranks best in this measure.

* *Economic Impact of the North Dakota University System*, NDSU Department of Agribusiness and Applied Economics, 2011.

Workforce Training

Number of businesses and employees in the region receiving training

How well is North Dakota's workforce training system responding to the training needs of employers?

In FY 2012, 1,765 businesses were served by TrainND, North Dakota's workforce training system, and 18,466 employees were trained.

About this Measure

TrainND, North Dakota's workforce training system, is coordinated through BSC, LRSC, NDSCS and WSC. Performance results are available for FY 2000 through FY 2012. These results demonstrate the continuing responsiveness of TrainND to a strong demand for workforce training in the state.

In FY 2000, the year the workforce training regions were created by state statute, 518 businesses received training through this system. The number rose to 1,818 in FY 2005 due to a major one-year contract that required training to be provided to several hundred businesses. The number of businesses served has returned to more normal levels since that time.
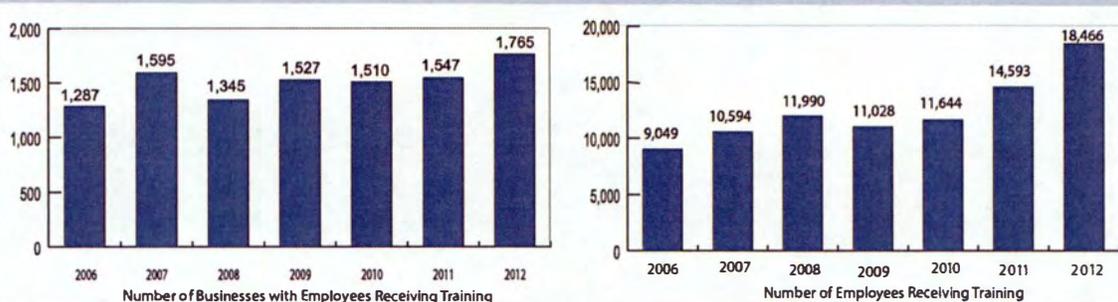
The number of employees who received training in FY 2000 was 7,463. By the following year, 10,669 employees were trained. This figure has exceeded 11,000 since FY 2008 and reached an all-time high of 18,466 for FY 2012. Fluctuations in the number of businesses served and employees trained are related to the size and location of the businesses. For example, when training is extended to more rural areas of the state, smaller businesses that have fewer employees may be served. Much of the increase over the last several years can be attributed to training provided for oilfield workers.

The workforce training system resulted from a 31-member statewide task force on workforce development and training formed in 1998 to research best practices in other states and to design a more effective workforce training system for North Dakota.

This initiative was coordinated by the North Dakota Chamber of Commerce (formerly the Greater North Dakota Association) and resulted in recommendations for the North Dakota University System and the Legislative Assembly. These recommendations were enacted into legislation during the 1999 Legislative Session.

Workforce Training Provided
FY 2006 through FY 2012

Number of Businesses with Employees Receiving Training: 2006: 1,287; 2007: 1,595; 2008: 1,345; 2009: 1,527; 2010: 1,510; 2011: 1,547; 2012: 1,765

Number of Employees Receiving Training: 2006: 9,049; 2007: 10,594; 2008: 11,990; 2009: 11,028; 2010: 11,644; 2011: 14,593; 2012: 18,466

Research Expenditures

Annual dollar amount of research expenditures by North Dakota institutions from federal, foundation and business sponsors benchmarked against historical trends

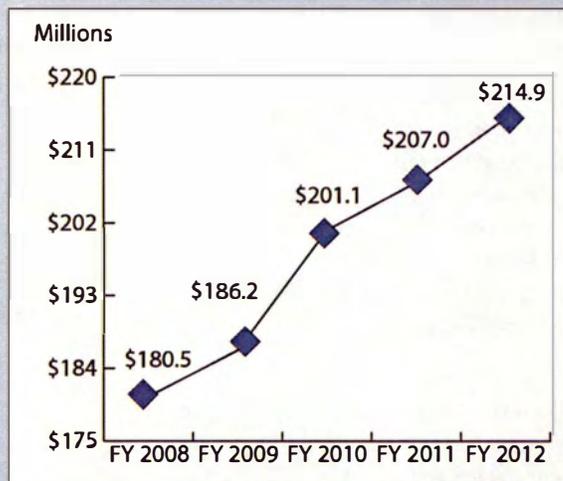**What is the level of research expenditures in higher education?**
Research grew by 19 percent between FY 2008 and FY 2012 with $215 million in research expenditures in FY 2012.

About This Measure

During the past five years, research expenditures have grown by 19 percent from $180.5 million in FY 2008 to $214.9 million in FY 2012.

This does not include research activity at campuses other than UND and NDSU.

Research Expenditures[1,2]
FY 2008 through FY 2012

Millions

$220	$214.9
$211	$207.0
$202	$201.1
$193	$186.2
$184	$180.5
$175	

FY 2008 FY 2009 FY 2010 FY 2011 FY 2012

[1] As reported by NDSU and UND to the National Science Foundation.
[2] Amounts reported in the Accountability Measures Reports prior to FY 2008 included total NDUS research expenditures per functional category as reported in the NDUS annual audited financial statements.

Student Graduation and Retention Rates

Student graduation and retention rates

Are NDUS students completing their degrees?

Based on NDUS adjusted graduation rates from all institutions, 46 percent of NDUS two-year college students completed degrees within three years, and 56 percent of four-year university students completed degrees within six years.

About This Measure

Each year, NDUS colleges and universities are required to report graduation rates to the National Center for Education Statistics using the Integrated Postsecondary Education Data System – or IPEDS – Graduation Rate Survey (GRS).

Data for the 2011 GRS were generated by establishment of a cohort (group of all first-time, full-time students) at each institution. Two-year college cohorts entered college in Fall 2006 and were tracked for three years; four-year university cohorts entered college in Fall 2004 and were tracked for six years.

Once a cohort has been established, only a few exceptions, such as military service, an official church mission, Peace Corps service or death, can result in removal of a student from the original cohort. The survey does not take into account students who transfer to then graduate from other institutions; these students are counted as non-completers in GRS, even if they graduate on time.

In 2011, NDUS two-year colleges reported to IPEDS a 44 percent completion rate, and four-year universities reported a 42 percent rate. This compares to a 2011 national two-year college rate of 22 percent[1] and a four-year university rate of 55 percent. Using the IPEDS cohort and including those in the cohort who graduated from other campuses, the cohort graduation rate is 46 percent for two-year college students and 56 percent for four-year university students.

NDUS institutions also track the rate at which full-time freshmen return to college the following year. NDUS two-year colleges report a 56.8 percent average rate of freshmen who entered college in Fall 2010 and re-enrolled full time in Fall 2011, and the four-year universities reported a 65.2 average percent rate. This compares to a 59.2 percent national public two-year college retention rate and a 78.6 percent four-year public institution retention rate for 2010[1].

Freshman Retention Rates

| | NDUS | | | | | National |
	2007	2008	2009	2010	2011	2010[1]
Two-year colleges	67.3%	64.0%	65.0%	58.8%	56.8%	59.2%
Four-year universities	74.7%	70.2%	68.5%	66.3%	65.2%	78.6%

2011 Graduation Rates

	2-year colleges	4-year universities
NDUS IPEDS-reported campus graduation rate	44%	42%
National IPEDS-reported graduation rate (Fall 2010)[1]	22%	55%
Graduates of other NDUS postsecondary institutions	18	241
Graduates of non-NDUS postsecondary institutions	9	535
NDUS adjusted graduation rate	46%	56%

[1] Most recent data available.

Note: This table does not include information on students still enrolled or students who have transferred, but not graduated from other institutions, and therefore is not comparable to adjusted graduation rates published before 2008.

Data Sources: ConnectND graduate records, National Student Clearinghouse and IPEDS .

Affordability of Tuition and Fees to Lowest Income Families

Tuition and fees relative to the lowest quintile per capita income in the state benchmarked against the national average and the state with the lowest ratio

How affordable are NDUS colleges and universities to North Dakota families who have the least ability to pay?

In 2010-11, it took 32.2 percent, on average, of the lowest-quintile North Dakota family income to pay for tuition and fees at NDUS four-year and research universities, compared to 44.1 percent nationally and 18.4 percent in Wyoming, which had the lowest ratio. At NDUS two-year institutions, it took 19.2 percent, on average, compared to 15.9 percent nationally and 4.4 percent in California, which had the lowest ratio.

About This Measure

The lowest quintile median family income was used to respond to this measure because lowest quintile per capita income is not available.

This measure demonstrates the percentage of median family income needed to pay for tuition and fees among those families who have the least ability to pay. Available national data provides state and national averages for two-year and four-year and above public institutions.

The 2010-11 NDUS average for four-year campuses and above was 32.2 percent, which was lower than the national average of 44.1 percent. All NDUS campuses were below the national average. North Dakota ranked 11th lowest in the nation while Wyoming ranked the lowest at 18.4 percent.

The 2010-11 NDUS two-year college average was 19.2 percent, the 16th highest in the nation compared to the national average of 15.9 percent. All NDUS two-year colleges were above the national average.

At 4.4 percent, the state with the lowest two-year average was California. This is a reflection of California's public policy of making college affordable for all by charging little or no tuition. As a result of California's budget shortfalls, this likely has changed in recent years with more costs passed along to students.

Tuition and Fees as a Percent of Lowest Quintile Median Family Income
2008-09 through 2010-11

4-Year and Above Public Universities	2008-09	2009-10	2010-11
DSU	22.1%	26.0%	26.5%
MaSU	24.6%	28.7%	29.2%
MiSU	21.9%	26.7%	27.7%
NDSU	27.1%	31.8%	32.7%
UND	28.3%	33.4%	34.0%
VCSU	25.1%	29.4%	29.8%
NDUS Average	26.8%	31.5%	32.2%
National Average	38.3%	40.9%	44.1%
Wyoming (Lowest Average)	15.2%	16.5%	18.4%
2-Year Public Colleges			
BSC	17.1%	20.0%	19.7%
DCB	16.5%	19.0%	18.9%
LRSC	17.0%	19.4%	19.2%
NDSCS	16.9%	19.3%	19.2%
WSC	14.7%	16.8%	17.0%
NDUS Average	16.8%	19.4%	19.2%
National Average	13.6%	14.8%	15.9%
California (Lowest Average)	3.3%	4.2%	4.4%

Data sources: Tuition and fees from 2008, 2009 and 2010 IPEDS data and lowest quintile median family income from U.S. Census Bureau 2009, 2010 and 2011 American Community Survey (ACS). All data compiled and provided by NCHEMS. [Note: North Dakota data has been adjusted to reflect tuition and fee rates for 15 credit hours per semester.]

Net College Expenses as a Percent of Median Family Income

Percent of median family income (average of all income groups) needed to pay for college expenses after deducting grant aid benchmarked against the national average and the state with the lowest ratio

How affordable are NDUS colleges and universities to all families?

On average, 14.1 percent of the 2011 median North Dakota family income was needed to pay for college at NDUS four-year and research universities after grant aid was deducted. This compares to a national average of 17.6 percent and 9.9 percent in Wyoming, which had the lowest ratio. On average, 8.6 percent of family income was needed to pay for college at NDUS two-year colleges.

About This Measure

This measure demonstrates the percentage of median family income (average of all income groups) needed to pay for college expenses after deducting grant aid.

Available national data includes 2010-11 state and national averages for two-year and four-year and above public institutions. The NDUS average for four-year and above campuses was 14.1 percent, which was lower than the national average of 17.6 percent. North Dakota was 10th lowest in the nation. The state with the lowest average was Wyoming at 9.9 percent.

As explained in Footnote 1 on Page 34, because room and board charges were not available (or applicable) for most public two-year community colleges in other states, the national data includes four-year room and board rates for the community colleges, assuming those living expenses would apply to all students whether or not they lived on campus. Using the average room and board rates for four-year universities for comparison, net college costs for NDUS two-year community colleges ranged from 6.9 percent to 11.2 percent of the median family income (with an average of 10.4 percent) compared to the national average of 13.1 percent. The state with the lowest average was Wyoming at 9.6 percent; North Dakota was 7th lowest in the nation.

Using NDUS two-year community college room and board rates rather than the four-year university average, North Dakota's actual net costs accounted for 4.9 to 9.9 percent or, on average, 8.6 percent of family income.

Several factors contributed to the decrease in percentages for NDUS institutions from 2009-10 to 2010-11, including an increase in the state median income and increases in average Pell Grants and state aid with 2010-11 being the first year of the new state Academic and Career Technical Education Scholarship Program. In addition, a change in IPEDS reporting resulted in an increase in the amount of grant aid reported in 2010-11 compared to previous years.

Net College Expenses as a Percent of
Median Family Income of All Income Groups
2008-09 through 2010-11

4-Year and Above Public Institutions	2008-09	2009-10	2010-11
DSU	11.3%	11.3%	8.9%
MaSU	11.5%	11.4%	10.3%
MiSU	12.3%	12.6%	10.6%
NDSU	15.9%	16.1%	15.3%
UND	15.8%	16.0%	15.1%
VCSU	10.0%	10.3%	8.3%
NDUS Average	15.1%	15.2%	14.1%
National Average	16.9%	17.2%	17.6%
Wyoming (Lowest Average)	9.3%	9.3%	9.9%

2-Year Public Institutions	2008-09		2009-10		2010-11	
	Assuming Average 4-yr Rates for Room and Board for All States [1]	Assuming Average 2-yr Rates for Room and Board for ND Institutions [2]	Assuming Average 4-yr Rates for Room and Board for All States [1]	Assuming Average 2-yr Rates for Room and Board for ND Institutions [2]	Assuming Average 4-yr Rates for Room and Board for All States [1]	Assuming Average 2-yr Rates for Room and Board for ND Institutions [2]
BSC	12.2%	11.0%	12.1%	10.6%	11.2%	9.9%
DCB	10.8%	8.8%	10.3%	8.1%	9.8%	7.6%
LRSC	10.8%	9.6%	11.0%	9.6%	9.8%	8.3%
NDSCS	11.5%	9.4%	10.8%	8.5%	10.4%	8.1%
WSC	9.5%	6.1%	9.3%	5.7%	6.9%	4.9%
NDUS Average	11.5%	9.6%	11.3%	9.3%	10.4%	8.6%
National Average	12.9%		12.9%		13.1%	
Wyoming (Lowest Average)	9.2%		9.3%		9.6%	

[1] 1 Because room and board charges are not available (or applicable) for most public two-year colleges, the IPEDS data included four-year room and board rates for the two-year colleges, assuming those living expenses would apply to all students whether or not they live on campus.

[2] Because North Dakota two-year colleges do offer room and board plans, actual two-year averages also are presented.

Data sources: Tuition and fees from 2008, 2009 and 2010 IPEDS data and median family income from U.S. Census Bureau 2009, 2010 and 2011 American Community Survey (ACS). All data compiled and provided by NCHEMS. [Note: North Dakota data has been adjusted to reflect tuition and fee rates for 15 credit hours per semester and room and board rates for double occupancy and a 14-15 meal plan.]

Average Annual Student Loan Debt

Average amount of student loan debt incurred each year by undergraduate and graduate students benchmarked against the national average and the state with the lowest ratio

How does the average student loan debt of North Dakota students compare to the national average and the state with the lowest debt per student?

In 2011-12, undergraduate and graduate students in North Dakota borrowed an average of $4,467 compared to the national average of $4,760 and $4,130 in Maine, which had the lowest average.

About This Measure

This measure reports on the average amount of student loan debt incurred each year by undergraduate and graduate students who attend public institutions. The averages are based on federal data for subsidized and unsubsidized loans for undergraduate and graduate students, including parent and graduate PLUS loans. Nationally published data are not available for undergraduate loans only.

In 2011-12, North Dakota was ranked 13th lowest in the nation with an average annual student loan debt of $4,467

among students who attended public institutions.

While federal Pell Grant eligibility is largely based on income and asset levels, only 24 percent of North Dakota students qualified for these grants in 2011-12. This leaves limited funding options other than student loans. To

address this need, the 2009 Legislative Assembly funded a significant increase in needs-based financial aid and provided funding to limit tuition increases at North Dakota's public institutions. These steps may have contributed to the decrease in average student loans since 2008-09.

Average Public Institution Student Loan Debt Incurred
2008-09 through 2011-12

	2008-09	2009-10	2010-11	2011-12
North Dakota Average	$4,529	$4,451	$4,410	$4,467
National Average	$4,924	$4,823	$4,785	$4,760
Maine (Lowest) Average	$4,210	$4,135	$4,136	$4,130

Data Source: *Federal Student Aid Data Center (http://federalstudentaid.ed.gov/datacenter/index.html)*

Proportion of the Population with Associate Degrees or Higher

Proportion of the population 25 to 34 years of age with associate degrees or higher benchmarked against the national average and best-performing country

What proportion of the 25- to 34-year-old population has associate degrees or higher?

50.4 percent of North Dakota's 25- to 34-year-old population has associate degrees or higher, compared to 40.1 percent nationwide.

About This Measure

Information published by the National Center for Higher Education Management Systems indicates that, for 2011, the latest year for which comparable information is available, 50.4 percent of North Dakota's 25- to 34-year-old population has associate degrees or higher. North Dakota ranks third in the nation in this measure. Massachusetts ranks highest; 55.2 percent of its residents hold associate degrees or higher. Nevada ranks lowest at 28.3 percent. The national rate is 40.1 percent.

This information is not available by country.

Population Ages 25 to 34 Who Earn Associate Degrees or Higher
2011

Population	Percentage
Nevada (lowest state)	28.3%
United States	40.1%
Massachusetts (highest state)	55.2%
North Dakota	**50.4%**

Data Source: NCHEMS Information Center.

State General Fund Appropriations and Net Tuition Revenues

Appropriations for general operations plus net tuition revenue per full-time equivalent student benchmarked against the national average and the best-performing state

How do state-appropriated operating and net tuition revenues per FTE student compare to the national average and the best-performing state?

With $12,234 in state and student contributions per FTE student in the 2009-11 biennium, North Dakota's four-year universities, o n average, rank 12th lowest i n the nation compared to the national average of $13,974 per FTE student. Connecticut has the highest average of $22,691 per FTE student.

With $8,765 in state and student contributions per FTE student in the 2009-11 biennium, North Dakota's two-year colleges rank 9th highest i n the nation compared to the national average of $6,444 per FTE student. Alaska has the highest average of $25,212 per FTE student.

About This Measure

This measure reports funding per FTE student from state-appropriated funds and net tuition revenue.

The change from 2007-09 to 2009-11 reflects the contrast between North Dakota's economy and the majority of other states. Average funding from state-appropriated and net tuition revenue per FTE student has increased slightly for NDUS colleges and universities compared to significant decreases in the national average. While North Dakota has invested more in higher education and minimized tuition increases, the majority of other states have decreased state funding for higher education and passed more of the cost on to students.

At NDUS four-year universities, average funding from state-appropriated revenue increased $171 per FTE student and was offset by a decrease in net tuition revenue of $95 per FTE student for a net increase in total funding of $76 per FTE student. In contrast, the national four-year university average funding from state-appropriated revenue decreased $1,079 per FTE student and was offset by an increase in net tuition revenue of $537 per FTE student for a net decrease in total funding of $542 per FTE student.

At NDUS two-year colleges, average funding from state-appropriated revenue increased $313 per FTE student and was offset by a decrease in net tuition revenue of $305 per FTE student for a slight net increase in total funding of $8 per FTE student. The national two-year college average funding from state-appropriated revenue decreased $795 per FTE student, and net tuition revenue decreased $41 per FTE student for a decrease in total funding of $835 per FTE student.

State General Fund Appropriations
and Net Tuition Revenues (continued)

2007-09 and 2009-11 Appropriations for General Operations Plus Net Tuition Revenue per FTE Student

4-Year and Above Public Institutions	2007-09		2009-11	
	Per FTE Student Appropriation for Gen Fund & Net Tuition	NDUS as a Percent of Nat'l Avg	Per FTE Student Appropriation for Gen Fund & Net Tuition	NDUS as a Percent of Nat'l Avg
DSU	$8,736	60.2%	$9,776	70.0%
MaSU	13,424	92.4%	13,092	93.7%
MiSU	10,279	70.8%	10,324	73.9%
NDSU (excluding Ag Res/Ext) [1,4]	10,695	73.6%	10,450	74.8%
UND (including SMHS) [2]	14,575	100.4%	14,841	106.2%
VCSU	12,645	87.1%	13,098	93.7%
NDUS Average [3]	$12,158	83.7%	12,234	87.5%
National Average [4]	$14,516		$13,974	
Connecticut (Highest Average) [4]	$22,400		$22,691	
2-Year Public Institutions				
BSC	$7,431	102.1%	$7,660	118.9%
DCB	9,040	124.2%	8,710	135.2%
LRSC	7,172	98.5%	7,392	114.7%
NDSCS	11,347	155.9%	10,928	169.6%
WSC	8,782	120.7%	9,251	143.6%
NDUS Average	$8,757	120.3%	$8,765	136.0%
National Average	$7,279		$6,444	
Alaska (Highest Average) [4]	$31,171		$25,212	

[1] NDSU appropriations reduced for the following: SITS $23,751,597 ($897 per FTE student in 2009-11) and $12,649,563 ($549 per FTE student in 2007-09); and flood appropriations $711,295 ($31 per FTE student in 2007-09). If appropriations for Ag Research and Extension are included ($76,889,210 for 2009-11 and $65,677,184 for 2007-09), NDSU's appropriations and net tuition revenue total $13,354 in 2009-11 and $13,548 per FTE student in 2007-09 (95.5 and 93.3 percent, respectively, of the national average).

[2] UND appropriations reduced for the following: SITS $4,816,382 ($189 per FTE student in 2009-11) and $15,107,041 ($649 per FTE student in 2007-09) and flood appropriations $1,231,806 ($48 per FTE student in 2009-11) and $1,617,403 ($69 per FTE student in 2007-09).

[3] If appropriations for Ag Research and Extension ($76,889,210 for 2009-11 and $65,677,184 for 2007-09) are included, the NDUS average appropriations and net tuition revenue total $13,407 per FTE student, or 95.9 percent of the national average for 2009-11, and $13,272 per FTE student, or 91.4 percent of the national average for 2007-09.

[4] All figures reported for other states and the national average include funds provided in support of Ag Research and Extension.

Data Sources: 2007-08 through 2010-11 Integrated Postsecondary Education Data System (IPEDS) Data Center and FY 2008 through FY 2011 NDUS audited financial statements.

Student Share of Funding for General Operations

Student share of funding for general operations benchmarked against the national average and historical trends

What portion of the cost of operations is covered by net tuition and fees?

In the 2009-11 biennium, net tuition and fee revenues accounted for an average of 56 percent of the total funding when combined with appropriations at North Dakota four-year universities and 41 percent at NDUS two-year colleges. This compares to a national average student share of 50 percent at four-year universities and 29 percent at two-year colleges.

About This Measure

The cost of campus operations is shared by students and the state of North Dakota. This measure looks at how the student share has changed over time. It also compares the North Dakota average student share to the national average.

The average student share at NDUS institutions decreased from 2007-09 to 2009-11compared to an increase in the national average. This reflects the differences in state economies between North Dakota and the majority of other states. Many states have experienced major cuts in state funding for higher education, and students are bearing a greater portion of the cost.

Although students had contributed a larger portion of funding at all NDUS campuses from 2003-05 to 2007-09, the average student share at four-year universities decreased from 57 percent to 56 percent from the 2007-09 biennium to 2009-11. In comparison, the national average student share increased from 44 percent in 2007-09 to 50 percent in 2009-11. (National data is not readily available for previous biennia.)

Similarly, the average student share at NDUS two-year colleges decreased from 44 percent to 41 percent from 2007-09 to 2009-11 compared to an increase in the national average student share of 26 percent to 29 percent during the same time period. The disparity between state and national averages for two-year colleges is noticeably larger than the difference for four-year universities. This is a reflection of North Dakota's higher two-year college tuition and fee rates compared to other two-year colleges in the nation.

Student Share of Funding Percent of Net Tuition and Fees to Total Appropriations Plus Net Tuition and Fees

4-Year and Above Public Institutions	2003-05 Bien.	2005-07 Bien.	2007-09 Bien.	2009-11 Bien.
DSU	44%	51%	54%	48%
MaSU	36%	38%	36%	35%
MiSU	42%	47%	47%	45%
NDSU (excluding Ag Res/Ext) [1,4]	58%	63%	62%	63%
UND (including SMHS) [2]	58%	60%	58%	56%
VCSU	34%	39%	35%	34%
NDUS Average [3]	55%	58%	57%	56%
National Average [4]			44%	50%
2-Year Public Institutions				
BSC	50%	51%	53%	50%
DCB	27%	31%	32%	31%
LRSC	50%	50%	52%	47%
NDSCS	34%	39%	38%	33%
WSC	35%	35%	32%	27%
NDUS Average	41%	44%	44%	41%
National Average [4]			26%	29%

[1] NDSU appropriations reduced for SITS $23,751,597 (2009-11), $12,649,563 (2007-09), $8,356,378 (2005-07) and $6,940,288 (2003-05); and flood appropriations $711,295 (2007-09), $241,092 (2005-07) and $1.7 million (2003-05). If appropriations for Ag Research and Extension are included, the student share would be 49 percent for 2009-11, 2007-09 and 2005-07 and 44 percent for 2003-05.

[2] UND appropriations reduced for SITS $4,816,382 (2009-11), $15,107,041 (2007-09), $13,424,335 (2005-07) and $11,952,482 (2003-05); and flood appropriations $1,231,806 (2009-11), $1,617,403 (2007-09), $2,069,727 (2005-07) and $1,571,000 (2003-05).

[3] If appropriations for Ag Research and Extension are included, $76,889,210 (2009-11), $65,677,184 (2007-09), $57,880,135 (2005-07) and $52,460,500 (2003-05), the NDUS average student share would be 51 percent for 2009-11, 52 percent for 2007-09, 54 percent for 2005-07 and 50 percent for 2003-05.

[4] All figures reported for other states and the national average include funds provided in support of Ag Research and Extension.

Data Sources: 2007-08 through 2010-11 Integrated Postsecondary Education Data System (IPEDS) Data Center and FY2004 through FY2011 NDUS audited financial statements.

Per Capita General Fund Appropriations for Higher Education

Per capita general fund appropriations for higher education

To what extent do North Dakota taxpayers provide financial support for NDUS students?

The average per-capita state general fund appropriation for the 2009-11 biennium was $813, an increase of 37 percent since the 2001-03 biennium.

About This Measure

This measure demonstrates whether the state, on an individual per-capita basis, is providing an increasing or decreasing amount of funding to the colleges and universities over time.

The average per-capita state general fund appropriation for the 2009-11 biennium was $813, an increase of 37 percent since the 2001-03 biennium. These funds are appropriated by the Legislative Assembly for the general operation of the campuses and related entities, including NDSU Extension Service and Research Centers and UND School of Medicine and Health Sciences.

This measure is calculated on a biennial basis; 2011-13 per-capita funding will be reported in the *2013 Accountability Measures Report*.

Per-Capita State General Fund Appropriations for Higher Education[1,2]

2001-03 through 2009-11 Biennia

Bar chart values:
- 2001-03: $595
- 2003-05: $590
- 2005-07: $636
- 2007-09: $730
- 2009-11: $813
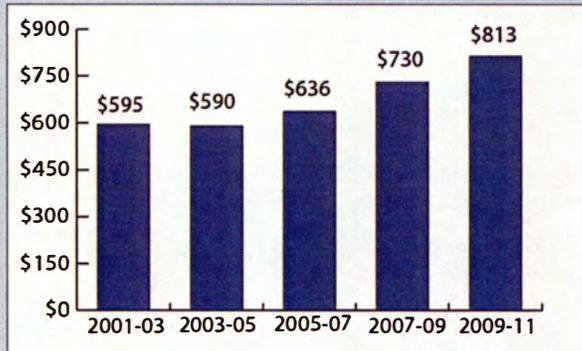
[1] Includes related entities, such as NDSU Extension Service and Research Centers and the UND Medical School, but excludes the NDUS Office.

[2] Per capita state general fund revenue = state appropriations (excluding capital assets) ÷ North Dakota population.

Data Source: NDUS annual audited financial statements; Population Division, US Census Bureau; www.census.gov/popest/estimates.php.

Operating and Contributed Income Ratio

Ratio measuring the funding derived from operating and contributed income compared to total University System funding

What percent of NDUS revenues are self-generated?
In FY 2012, the NDUS generated 70 percent of its total revenues, either internally from fees for services or externally from gifts, grants and contracts.
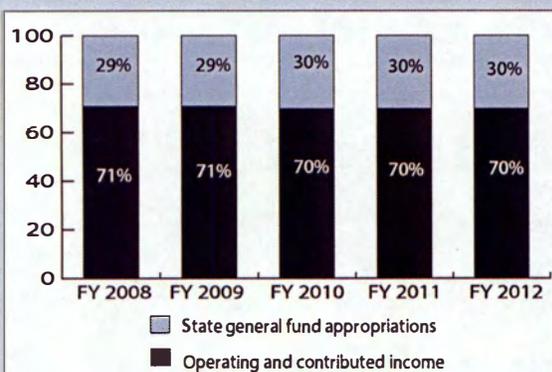
About This Measure

This measure analyzes the portion of overall North Dakota University System funding that is self-generated. These funds include operating income, which is generated internally by the institutions on a fee-for-service basis, and contributed income, which

is generated externally through contributions received from alumni, corporations, foundations and others. This total includes revenue sources that are restricted in use by the donor, grantor or other source.

The NDUS generated 70 percent of its total revenue from operating and contributed income sources in FY 2012. The colleges and universities' self-generated share of total revenues remains relatively consistent.

Funding Sources
FY 2008 through FY 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
State general fund appropriations	29%	29%	30%	30%	30%
Operating and contributed income	71%	71%	70%	70%	70%

In FY 2012, this measure was revised to include the NDUS Office and inter-institution eliminations reported in the FY 2012 Annual Financial Report. FY 2008 through FY 2011 have been restated in the graph above.

Operating and Contributed Income Ratio[1]
(In Millions)
FY 2012

Self-generated revenues	
Tuition and fees	$279,042
Federal appropriations	7,326
Federal grants and contracts	183,500
State grants and contracts	18,137
Private gifts, grants/contracts	56,261
Sales and services – Ed. depts.	73,701
Investment and endowment income	4,074
Auxiliary enterprise	111,530
Other operating revenue	4,299
Total self-generated revenues	$737,870
Total all revenues	**$1,059,836**
Operating and Contributed Income Ratio	$737,870
	$1,059,836 = **70%**

[1] Includes related entities, such as the NDSU Extension Service and Research Centers and the UND Medical School, but excludes the NDUS Office.

Data Source: FY 2012 NDUS audited financial statements.

State and Student Funding per Degree and Certificate Awarded

Number of degrees and certificates produced relative to annual state appropriations for general operations plus net tuition revenue benchmarked against the best-performing state

How much is spent for each degree and certificate awarded by NDUS colleges and universities?

The average cost per degree awarded by NDUS four-year universities in 2010-11 was $60,603, which is about 3.6 percent more than the national average. At $31,001 per degree or certificate awarded, Florida ranks best in this measure. The 2010-11 NDUS two-year college average per degree or certificate was $26,837, which is 16 percent less than the national average of $31,917. At $9,011 per degree or certificate awarded, Louisiana ranks best in this measure.

About This Measure

This measure compares the number of certificates and degrees awarded to their cost, based on state appropriations and net tuition and fees.

The four-year NDUS average net tuition and state funding per degree of $60,603 is about 3.6 percent more than the national public four-year institution average of $58,517. Florida ranks lowest in the nation at $31,001 per degree and certificate awarded.

The NDUS two-year college average of $26,837 is 18th lowest in the nation and significantly lower than the national average of $31,917. Louisiana's average is the lowest at $9,011 per award.

Because state funds are appropriated on a biennial basis in North Dakota, state appropriations per degree and net tuition and state funding per degree will fluctuate annually, due to timing of state general fund drawdowns.

In addition, it should be noted that the number of degrees and certificates awarded may fluctuate significantly from year to year, which may cause significant fluctuation in cost per degree from one year to the next.

State and Student Funding per
Degree and Certificate Awarded (continued)

**Net Tuition and Fees and State Appropriations
per Degree and Certificate Awarded [1]**

2007-08 (Base Year) and 2010-11

4-Year and Above Public Institutions	2007-08			2010-11		
	Net Tuition & Fees per Degree	State Approp. per Degree	Net Tuition & State Funding per Degree	Net Tuition & Fees per Degree	State Approp. per Degree	Net Tuition & State Funding per Degree
DSU	$21,815	$19,272	$41,086	$17,820	$19,840	$37,660
MaSU	26,149	45,558	71,707	29,587	54,255	83,843
MiSU	22,716	25,591	48,307	18,500	22,620	41,120
NDSU (excluding Ag Res/Ext) [2,5]	30,582	17,533	48,115	37,256	18,715	55,971
UND (including SMHS)[3]	35,832	26,566	62,399	41,480	32,893	74,373
VCSU	19,902	37,616	57,518	21,115	39,992	61,107
NDUS Average [4]	$31,111	$23,262	$54,373	$34,470	$26,133	$60,603
National Average [5]	$26,909	$35,034	$61,943	$30,094	$28,423	$58,517
Lowest Average [5,6]	$37,342	$404	$37,746	$11,288	$19,713	$31,001
2-Year Public Institutions						
BSC	$12,214	$11,311	$23,525	$10,163	$10,697	$20,861
DCB	8,725	18,269	26,994	8,942	20,226	29,168
LRSC	12,567	11,941	24,509	12,610	13,862	26,472
NDSCS	12,660	20,449	33,110	12,521	24,760	37,281
WSC	7,613	15,741	23,354	6,925	21,287	28,212
NDUS Average	$11,748	$15,099	$26,847	$10,741	$16,097	$26,837
National Average	$9,575	$27,996	$37,571	$9,138	$22,779	$31,917
Lowest Average [6]	$4,022	$7,138	$11,160	$3,284	$5,726	$9,011

[1] Degrees and certificates include the following:
Four-year and above: Associates, bachelors, masters, doctorates, first professionals and certificates.
Two-year: Associates and certificates.

[2] NDSU appropriations reduced for: SITS $12,487,329 or $5,256 per award (2010-11) and $7,414,623 or $3,150 per award (2007-08); if appropriations for Ag Research and Extension ($40,546,568 in 2010-11 and $30,545,865 in 2007-08) are included, state appropriations per award are $35,780 in 2010-11 and $30,509 in 2007-08, and net tuition and state funding per award are $73,036 in 2010-11 and $61,092 in 2007-08.

[3] UND appropriations reduced for: SITS $2,171,798 or $828 per award (2010-11) and $6,672,969 or $2,477 per award (2007-08).

[4] If appropriations for NDSU Ag Research and Extension ($40,546,568 in 2010-11 and $30,545,865 in 2007-08) are included, the NDUS average state appropriation per award was $32,227 in 2010-11 and $28,069 in 2007-08, and the NDUS average net tuition and state funding per award was $66,698 in 2010-11 and $59,179 in 2007-08.

[5] All figures reported for other states and the national average include funds provided in support of Ag Research and Extension.

[6] Lowest Average: Four-year and above – Florida in FY 2010-11 and Colorado in FY 2007-08; Two-year – Louisiana in FY 2010-11 and Kentucky in FY 2007-08.

Data Source: 2007-08 and 2010-11 Integrated Postsecondary Education Data System (IPEDS) Data Center.

Campus Activities Align with Roundtable Expectations

Fundamental changes are taking place at the 11 colleges and universities that make up the North Dakota University System. These changes demonstrate the systems commitment to attaining the goals of the Roundtable Report *and to meeting the expectations of SB 2003. Highlights of 2012 accomplishments follow.*

Bismarck State College (BSC)

- In September 2012, the U.S. Department of Labor awarded a $14.6 million job-training grant to BSC, Ft. Berthold Community College, Sitting Bull College, Turtle Mountain Community College and WSC. Together, the five colleges will train and support those pursing the high-paying, high-skill jobs available in western North Dakota.

- BSC's Spring 2012 Surgical Technology graduates achieved a 100 percent pass rate on the Certified Surgical Technologist exam for the fourth year in a row. Associate degree in nursing program graduates achieved a 100 percent pass rate on their licensure exams for the second year in a row.

- Throughout 2012, BSC launched 25+ program-specific videos that extend its marketing messages using social media. The videos are shared on the web, via email, in program-specific marketing pieces and through targeted digital advertising, maximizing BSC's marketing budget and resources and highlighting the connection between BSC programs and career opportunities in North Dakota and beyond. The videos can be found at *youtube.com/bismarckstatecollege*.

- BSC technical theater students took first place in the Stage Crew Showdown Jan. 16-21, 2012, at the Kennedy Center American College Theater Festival Region V competition at Iowa State University. The BSC team swept ahead of 14 four-year universities and another two-year college in the contest. Three BSC students also were cast in the Directors' Showcase.

- As part of a $2.5 million grant awarded by the U.S. Department of Energy, BSC developed the fourth and final course in a series on the smart grid. "Impact of the Smart Grid" provides an understanding of business impacts tied to implementation, governing and operation of the smart grid. This timely series is educating those who will make the smart grid enhancements proven necessary by Hurricane Sandy and other severe storms.

Dakota College at Bottineau (DCB)

- In Fall 2012, DCB introduced an honors program for students who meet eligibility requirements and are exceptionally well prepared for college work. Honors classes are one-credit enhancements to general education sections already in the college's course inventory. The program focuses on the learning experience rather than on the amount of work assigned.

- Jacob Bean, a December 2011 DCB graduate, was awarded the prestigious Jack Kent Cooke Foundation's Undergraduate Transfer Scholarship. The award includes funding to cover tuition, living expenses, books and required fees up to $30,000 per year for the two to three years required to complete a bachelor's degree.

- In Fall 2012, DCB began providing its EMT/paramedic program to Williston. The initiative is an effort to help support the workforce needs of northwest North Dakota and is a collaborative among WSC, DCB and Community Ambulance Service of Minot.

- Mild temperatures in November 2011 and January 2012 allowed DCB to construct eight high-tunnel greenhouses on the northwest quadrant of campus. A wash/pack facility will be built in the spring of 2013 and will allow the college to move into the vegetable production phase of its Center of Excellence project, the Entrepreneurial Center for Horticulture.

- DCB has been selected by *G.I. Jobs* magazine as a military-friendly school for 2013. The honor recognizes the college's commitment to educating military veterans, ranking it in the top 15 percent of all schools nationwide.

Dickinson State University (DSU)

- DSU alumnus and 15-time NAIA All-American Ramon Miller secured the team gold medal as he ran anchor leg for the Bahamian men's 4x400 Olympic relay team Aug. 10, 2012. The victory marked the first time a Bahamian men's 4x400 relay team won a gold medal in the event; it also was the first gold medal for any Bahamian men's team. Miller also represented the Bahamas in both the 200-meter and 400-meter dash in the 2012 Summer Olympics.

- The Smithsonian Institution's National Museum of Natural History recently verified the identification of a second specimen of Sorex merriami, a type of shrew, collected by

the DSU Natural History Collection. The first specimen was cataloged and accessioned into the DSU Natural History Collection. Because of its importance and rarity, the DSU NHC donated the second specimen to the National Museum of Natural History for installation, preservation and inclusion among the national mammal holdings. The specimen retains DSU specimen sheets and tags to identify its point of origin.

- DSU 2012 spring nursing graduates received a 100 percent pass rate on the National Council Licensure Examination, marking DSU's first 100 percent pass rate in 17 years. Nursing graduates must pass this test to receive registered nursing licensure. NCLEX is a computer-adaptive test; individual students respond to anywhere from 75 to 265 questions covering virtually every area of nursing.

Lake Region State College (LRSC)

- In September 2012, the U. S. Department of Labor awarded LRSC $2,990,335 to develop training programs in precision agriculture. Through its Dakota Precision Ag Center, a center of excellence, LRSC will develop and deliver technical training in precision agriculture technologies. The grant targets displaced workers and returning veterans.

- LRSC held a ribbon cutting and open house to showcase its new nursing simulation lab in Spring 2012. The new equipment will provide clinical experiences in a safe environment by replicating high-risk patients. The equipment was purchased after receiving a $105,000 grant from the Otto Bremer Foundation.

- LRSC held an Oct. 8, 2012, groundbreaking ceremony for its new wind turbine. The 1.6-megawatt turbine will be built three miles north of campus. Planning for the turbine has been in the works since 2003 when the college researched installing the turbine to power the campus and launch a wind energy technician training program.

- LRSC student Lily Reese was one of 50 students selected to be a Coca-Cola Academic Team Gold Scholar through Phi Theta Kappa. Gold scholars each receive a $1,500 scholarship and a special medallion along with being listed in the April 23, 2012, issue of the *USA Today*.

- Fifty-four students graduated in August 2012 from summer peace officer academies in Grand Forks and Fargo. Many law enforcement career opportunities currently are available in North Dakota, making these graduates a vital commodity. The college is on pace to set a graduation record by the end of 2012.

Mayville State University (MaSU)

- Continuing an upward trend, MaSU's all-time enrollment record was broken in Fall 2012. Final figures show 1,020 students enrolled, breaking the previous record of 982 set in 2010. Prior to 2010, the record enrollment was 924 students in 1969.

- Funded by a $40,000 grant from the Edson and Margaret Larson Foundation, MaSU has established a cross-curriculum leadership development program. Five student leaders have received $1,000 scholarships, and leadership series events are underway. The Larson Foundation also has made a $340,000 gift to finish renovating MaSU's historic Northwest Hall for use as an alumni and leadership center.

- MaSU's collaborative efforts with LRSC, BSC, DSU, WSC, DCB and NDSCS have resulted in increasing numbers of degree-seeking distance students in business administration, early childhood education and elementary education. MaSU also partners with LRSC to offer the Dakota Nursing Program on the MaSU campus.

- Based on a 10-year average, 99 percent of MaSU graduates found satisfactory career placement. More than 750 MaSU graduates teach in North Dakota schools. 80 percent of MaSU education graduates are employed in North Dakota; 72 percent of non-education graduates are employed in the state. In the last five years, 84 percent of MaSU student internships were in-state.

- MaSU has made significant growth across the entire institution as a result of a recently completed Department of Education Title III Strengthening Institutions Grant. Growth in the areas of academic quality, institutional management, student support services and fiscal stability has allowed MaSU to increase self-sufficiency and strengthen its capacity to make substantial contributions to higher education.

Minot State University (MiSU)

- MiSU and Briercrest College, Caronport, Saskatchewan, signed an expanded partnership agreement in February 2012. Previously, a student could receive a Bachelor of Arts from Briercrest and a Bachelor of Science in education from MiSU with a focus in elementary education, music, physical education, English or history. The expansion includes addiction studies, communication disorders and social work.

- The American Red Cross honored MiSU in March 2012 for its support in sheltering 2011 Mouse River flood victims in the Dome. Allan McGeough, executive director of the Mid-Dakota Chapter, presented MiSU with a limited edition print. The North Dakota Center for Persons with Disabilities, a Center of Excellence on the MiSU campus, secured a three-year $900,000 federal grant for its Disability Health II project. The project will receive $300,000 annually to assist in improving the health of people who have disabilities through state-based public health programs.

- MiSU hosted "Energy Impact Solutions" in August 2012 as part of a Western North Dakota Energy Impact Symposia series. Researchers prepared solution models to address culture, education, emergency preparedness and response, leadership and public health issues. MiSU and DSU sponsored the series in cooperation with the Great Plains Energy Corridor. A U.S. Department of Education grant funded the symposia.

- The MiSU Department of Communication Disorders' speech-language pathology graduate program received reaccreditation through February 2020. The Council on Academic Accreditation in Audiology and Speech-Language Pathology reviewed the program, examined facilities and interviewed stakeholders. MiSU's master's degree program in speech language pathology is in complete compliance with all standards.

North Dakota State College of Science (NDSCS)

- According to the NDSCS 2011 Graduate Placement Report, 99 percent of the college's 2011 graduates available for employment were employed or were continuing their education with 67 percent in a field related to their training or education. More specifically, 2011 graduates reported employment within 32 of the 53 North Dakota counties.

- NDSCS kicked off a $10.5 million diesel building expansion project that, when completed, will position the college as one of the largest diesel technician educational facilities in North America. Gov. Jack Dalrymple and several state legislators joined NDSCS President John Richman and numerous business partners of the college for the groundbreaking event at Bisek Hall on the Wahpeton campus in April 2012.

- In April 2012, NDSCS President John Richman announced that the college had been named one of the nation's top 120 community colleges by the Aspen Institute College Excellence Program. The college now is eligible to compete for a portion of the $1 million 2013 Aspen Prize for Community College Excellence.

- The Otto Bremer Foundation donated $120,000 to the NDSCS Alumni Foundation. The funds were used to update the technology and facilities in the NDSCS Allied Dental Education Clinic in Wahpeton. Through the combination of donation, grant and fundraising dollars, the dental department was able to upgrade dental chairs and technology and reach more of the community to provide general services.

- NDSCS President John and Marcia Richman established an endowed fund with a $10,000 initial gift that was matched by NDSCS Foundation funds gifted by the late Wilbur and Betty Lunday. The $20,000 endowment funds professional development opportunities for NDSCS faculty and staff through the John and Marcia Richman Faculty/Staff Professional Development Fund.

North Dakota State University (NDSU)

- NDSU successfully piloted implementation of the Student Success Tuition Model in Fall 2012. The goal is to (a) increase student credit loads to encourage graduation in four years and (b) combine tuition and fees into a single number. Under the plan, students who take more than 15 credits per semester take the additional credits at no charge. Under Chancellor Hamid Shirvani's leadership, NDSU's sister campuses now are in the process of moving to a similar model.

- The North Dakota Centers of Excellence Commission approved $1.5 million to fund the Center for Life Sciences Research and Applications, which will conduct life sciences research with private partners. Another significant new research area at NDSU involves the emerging field of genomics with a focus across the life sciences – from agriculture to animal and plant sciences to biomedicine. NDSU research related to state economic interests holds the potential for both to excel at new levels.

- The Commodity Trading Laboratory opened in the fall of 2012 at Richard H. Barry Hall. The trading facility features the latest and best in technology. Students and researchers can analyze commodity markets, and students learn the fast-paced activity of risk management and trading. It is the first of its kind to specialize in agricultural commodities and the only such lab at a land-grant university.

- Scientists at NDSU's Center for Nanoscale Science and Engineering are analyzing materials that could eventually play a role in North Dakota oil exploration, and NDSU's cutting-edge research in down-hole imaging could provide the next technology for oil exploration and extraction.

- Academic programs at NDSU continue to thrive. In *Design Intelligence* magazine's ranking of graduate architecture programs, NDSU tied with programs at Harvard, Columbia and MIT. The music department formally became the School of Music, joining the top overall music programs in the nation and signifying its mission, which encompasses a broad-based curriculum including professional doctoral programs in performance and conducting.

University of North Dakota (UND)

- In September 2012, UND announced $14 million in funding: a $10 million gift from Harold Hamm and Continental Resources Inc. to fund the Harold Hamm School of Geology and Geological Engineering and $4 million from the

Industrial Commission to fund the proposal "Public-Private Partnership to Support Geology and Geological Engineering Education and Research at UND's College of Engineering and Mines."

- UND collaborated with the Empire Arts Center in downtown Grand Forks to establish the UND Arts Collection gallery with a show featuring works by Salvador Dali, Andy Warhol, Roy Lichtenstein and Robert Rauschenberg, among others. The move exemplifies President Robert Kelley's "Exceptional UND," which focuses on enriching student experiences; gathering; collaborating; enhancing the quality of life; and expanding UND's presence beyond campus.

- In August 2012, Altru Health System pledged $10 million through the UND Foundation in support of a sports medicine partnership between Altru and UND. Of that, $9 million will help fund a UND Athletics Complex, an indoor practice and competition facility on campus, and $1 million is for an artificial turf in the Alerus Center where UND plays football. The gift will help UND, now an NCAA full Division I university, remain competitive.

- In September 2012, UND teamed up with NASA and MITRE Corp. for a successful Unmanned Aircraft System (UAS) flight test demonstration of an automatic sense-and-avoid capability, which avoided a UND Cessna 172 "intruder" plane flown by university instructor pilots. UND also created the nation's first UAS Compliance Committee.

- The Leona M. and Harry B. Helmsley Charitable Trust awarded the ND STAR (North Dakota Simulation, Teaching and Research) Center for Healthcare Education, UND School of Medicine and Health Sciences, $4.98 million to bring mobile simulation education to rural North Dakota. SIM-ND (Simulation in Motion-North Dakota) will provide education and training in medical-trauma events to help providers in the state deliver high-quality health care in the safest way possible.

Valley City State University (VCSU)

- Final enrollment figures for Fall 2012 showed a total headcount of 1,362 students, the third largest in VCSU's 120+ year history and a growth of more than 40 percent over the previous four years. This follows a Spring 2012 headcount of 1,306 students, an increase of 7 percent over the previous year and the largest spring semester enrollment on record.

- For the second year in a row, VCSU earned the #1 spot among the Top Public Regional Colleges in the Midwest in the 2013 edition of "America's Best Colleges" by *U.S. News* Media Group. This marks the 15th year in a row that VCSU has been recognized by *U.S. News*.

- *Geteducated.com* ranked VCSU's online Master of Education a top "Best Buy" among high-quality online degrees for educators. The library and information technologies concentration was approved by the American Association of School Librarians and was awarded a $290,014 grant to fund LIT scholarships from the Institute of Museum and Library Services' Laura Bush 21st Century Librarian Program.

- VCSU continued to introduce new programs designed to meet state needs. New in 2012: majors in medical laboratory science, business process integration management and athletic training. An articulation agreement with DCB allows a student who has completed a DCB associate degree in IT to earn a VCSU bachelor's degree with a major in CIS.

Williston State College (WSC)

- The year-end report for WSC's TrainND division has been published. In 2011, more than 9,000 participants attended training sessions; this included 6,421 unduplicated participants. A total of 330 businesses received services in 643 training sessions. As a result, 2011 revenue rose dramatically from $1,656,177 to $2,626,050.

- In its first year, the WSC men's hockey team made a trip to the national tournament and placed second. Women's softball also was added in Fall 2012. The addition of these two sports in as many years will increase the level of entertainment and activities available to students and the community.

- The biannual National Certification Board for Therapeutic Massage and Bodywork School Report recently was completed and received by WSC's massage department. This report shows that 100 percent of WSC's 2011 massage program graduates passed the National Certification Examination for Therapeutic Massage and Bodywork, far surpassing the national average of 70.9 percent.

- In March 2012, WSC hosted North Dakota's first computerized GED testing. Since introduction at WSC's Adult Learning Center, a number of students have taken the GED via computer with great results. This new method provides ease of access and instant results, bringing the GED test into the 21st Century.

- In August 2012, ground was broken for two new facilities on the WSC campus: the WSC Foundation Apartment Housing Project and the Community Wellness and Recreation Facility. The housing project is expected to be completed by the fall of 2013, and the recreation facility is slated for completion by the spring of 2014.

In Other Words

Terms used in this report include:

Adjusted Graduation Rate: An adjusted graduation rate includes the percentage of the freshman cohort who graduated from any postsecondary institution within three years at a two-year college or six years at a four-year university.

AY: An academic year includes three consecutive semesters: summer, fall and spring.

FTE Student: Full-Time Equivalent student describes the total student credit hours per campus per semester divided by 15 credit hours for undergraduate students or 12 credit hours for graduate students. Each professional-level student is counted as one FTE. (FTEs are defined differently for national and regional comparison purposes in the measures on page 4 and 5.)

FY: A fiscal year includes July 1 through June 30.

IPEDS: The Integrated Postsecondary Education Data System is the official U.S. Department of Education postsecondary education data collection and reporting system.

NDUS: The North Dakota University System is a unified, statewide higher education system that includes 11 colleges and universities governed by the State Board of Higher Education. A chancellor serves as the chief executive officer of the board and the University System.

SBHE: The State Board of Higher Education is the governing body for the North Dakota University System.

SITS: System Information Technology Services (SITS): Provides a wide portfolio of technology activities in support of the University System under the leadership of the NDUS chief information officer and associate chief information officer. SITS links academic and business services with the NDUS community, connecting users to the information and educational resources they need to accomplish their goals. Working with the institutions, the CIO is responsible for carrying out information technology goals that align with and support the goals of the State Board of Higher Education and the NDUS Strategic Plan. SITS departments include:

- **Office of the CIO:** Provides executive leadership; leads enterprise project planning and portfolio management; and oversees contract management, software site licenses and IT security.
- **ConnectND:** Manages and operates enterprise administrative software for the University System. Core systems include Oracle PeopleSoft Enterprise Financials; Human Capital Management; Campus Solutions (student administration); and other ancillary administrative systems such as housing, parking, scheduling, document management, on-line credit payments, on-line student recruitment/admission applications, facilities management, timekeeping, international tax treaty compliance, organizational charting and emergency notification.
- **NDUS Help Desk:** Provides 24/7 technical support to students, faculty and staff.
- **Academic, Research and Learning Technology:** Provides foundational and emerging technologies and services that support the academic, research and learning missions of the NDUS institutions, including technical support, training, instructional design and consulting.
  - **Advanced Learning Technologies (ALT):** Supports audio and videoconferencing technologies of the Interactive Video Network (IVN), NDUS Moodle learning management system, web conferencing and collaborative teaching technologies designed to improve learning and information access for the NDUS.
  - **On-line Dakota Information Network (ODIN):** Provides library automation services to the NDUS, the State Library, K-12 and public libraries.
  - **Higher Education Computer Network (HECN):** Coordinates systemwide support and infrastructure services, including help-desk, wide-area networking in conjunction with the state ITD, and other academic and research support services.
- **Data Center Services/Operations:** Hosts the ConnectND student information system and associated auxiliary/ancillary systems. Other NDUS services include the identity management system, directory services, database administration, regional networking (in conjunction with the State Information Technology

Department), production control, server administration and information security. Services also are provided for the UND campus via a service-level agreement. (NDUS Financial and Human Resource systems are hosted by the state at their data center and are provided through a memorandum of understanding.)

• **Enterprise Services:** Responsible for the design, development, implementation maintenance and administration of enterprise-class information technology solutions, including application administration, web application development and ConnectND student system development.

• **North Dakota University System Online (NDUSO):** Provides access to all online degree programs and certificate programs available from NDUS institutions. This system-wide collaboration reports to the vice chancellor for academic and student affairs. Through the collaboration of the 11 institutions, students have access to courses from multiple campuses during the same semester, can receive financial aid for all courses, have a single academic record and receive a single bill.

North Dakota University System
SB2032 – Higher Education Committee
March 18, 2013
Lisa A. Johnson

Mr. Chair, members of the Committee, good morning. My name is Lisa Johnson and I am employed by the North Dakota University System.

I am testifying on behalf of the North Dakota University System in support of SB2032 that calls for additional accountability measures related to retention and degrees awarded to be provided by our office. As Dr. John Haller, Interim Vice Chancellor for Academic Affair for the University System, stated in his testimony on January 14, our office intends to prepare annual reports containing these data points that enable us to align fiscal policies with statewide goals for workforce development economic prosperity.

Our office understands and supports the desire for increased accountability. If this Committee supports the additional accountability measures outlined in SB2032, our office offers the following minor amendments for the purpose of providing clarity to both programmers who will be tasked with data extraction and for the benefit of numerous stakeholders who will be utilizing the potential reports. The proposed edits are as follows:

On Page 2, Line 3: Regarding the reporting of an average grade point average—is there additional context or a particular aspect the Committee wishes to know about a student grade point average? Is the Committee seeking grade point information on a particular subset of the student population such as new freshman, transfer students, undergraduate students, or absolutely everyone combined? The NDUS suggests striking this particular measure until information regarding use or interpretation of this data element can be ascertained.

On Page 2, Line 4: The NDUS respectfully asks if the question was intended to read "Data regarding the number of students that initially enroll ~~at a two-year institution~~ in an associate program and complete an associate degree at a NDUS institution within three years;"

On Page 2, Line 6: "Data regarding the number of students that initially enroll <u>in a baccalaureate program</u> and complete a <u>bachelor's degree at a NDUS institution</u> within six years."

On Page 2, Line 8 (new): The NDUS proposes one additional amendment or accountability measure that acknowledges the transfer from a two-year to four-year component within our system that is not recognized in any of the previous measures. The proposed additional amendment reads as follows: "Data regarding the number of students that initially enroll at a NDUS two-year institution, transfer, and complete a bachelor's degree at a NDUS institution within six years.

On behalf of the North Dakota University System, I wish to thank you for the opportunity to support this bill to amend section 15-10-14.2 of the North Dakota Century Code and for your consideration of the proposed amendments contained within my testimony today.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2032

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and
reenact section 15-10-14.2 of the North Dakota Century Code, relating to a
performance and accountability report by the state board of higher education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-10-14.2 of the North Dakota Century
Code is amended and reenacted as follows:

**15-10-14.2. Higher education system strategic plan - ~~Reports~~Annual report
- Performance and accountability.**

1. The state board of higher education shall adopt a strategic planning
   process and develop a strategic plan to define and prioritize ~~university
   system~~the goals and objectives of the North Dakota university system.

2. The board shall provide an annual ~~performance and accountability~~ report
   regarding the system's performance and progress toward the goals
   outlined in the ~~university system's strategic plan and accountability
   measures.~~

2. ~~The state board of higher education shall report to the legislative assembly
   during each regular legislative session regarding the status of higher
   education in this state~~strategic plan. The report must include:

   a. Data regarding the retention rates of students between the fall and
      spring semesters at the institutions in which the students were initially
      enrolled;

   b. Data regarding the retention rates of students between the fall and
      spring semesters at any institution within the university system;

   c. (1) Data regarding the number of students awarded degrees,
          certificates, or diplomas at each institution during an academic
          year; and

      (2) A comparison of the data required by this subdivision with that of
          peer institutions;

   d. Information regarding each institution's progress toward meeting its
      goals and the implementation steps and timelines outlined in the
      university system's strategic plan;

   e. Data regarding the number of students that initially enroll at a two-year
      institution and obtain a certificate or diploma within three years of
      enrollment;

  f. Data regarding the number of students that initially enroll at a four-year institution and obtain a degree:

   (1) Within four years of enrollment;

   (2) Within four to five years of enrollment; and

   (3) Within six years of enrollment;

  g. Data regarding the number of students that are eligible for Pell grants and:

   (1) Initially enroll at a two-year institution and obtain a certificate or diploma within three years of enrollment; or

   (2) Initially enroll at a four-year institution and obtain a degree within four to six years of enrollment; and

  h. Data regarding the number of students that are not eligible for Pell grants and:

   (1) Initially enroll at a two-year institution and obtain a certificate or diploma within three years of enrollment; or

   (2) Initially enroll at a four-year institution and obtain a degree within four to six years of enrollment.

 3. The report required by subsection 2 must categorize the required information by resident and nonresident students at each institution within the university system and must compare the information to national benchmarks.

  SECTION 2. PERFORMANCE AUDIT. During the 2013-14 interim, the state auditor shall examine the accountability and performance measures established for the North Dakota university system to determine if they allow for a sufficient, objective, and systemic assessment of economies, efficiencies, and structural effectiveness."

Renumber accordingly

Representative Rohr:

Pursuant to your request the following is a summary of selected accountability measures included in the House amendments to Senate Bill No. 2032:

a.   Data regarding the retention rates of students between the fall and spring semesters at the institutions in which the students were initially enrolled; (Measures an institution's progress in meeting the needs of first year students. However, the measure does not include students who successfully transfer to another institution.)

b.   Data regarding the retention rates of students between the fall and spring semesters at any institution within the university system; (Measures student retention including students that transfer to another NDUS institution. By including transfer students the measure recognizes the relationships between institutions and the success and ease for students to transfer to another institution. It also recognizes the contribution of an institution to a student who initially enrolls at the institution but eventually transfers.)

c.   (1)   Data regarding the number of students awarded degrees, certificates, or diplomas at each institution during an academic year; and

         (2)   A comparison of the data required by this subdivision with that of peer institutions; (Measures an institution's overall success in retaining a student throughout an academic program and success in the program completion of transfer students. The measure requires a comparison to peer institutions to benchmark an institution's success to other similar institutions.)

d.   Information regarding each institution's progress toward meeting its goals and the implementation steps and timelines outlined in the university system's strategic plan; (Measures an institution's contribution to the overall University System strategic plan which is used to meet the needs of the state.)

e.   Data regarding the number of students that initially enroll at a two-year institution and obtain a certificate or diploma within three years of enrollment; (Measures the number of program completers at an institution based on the IPEDS definition of program completion success. However, the measure does not recognize transfer students who transfer and complete a program at another institution.)

f.   Data regarding the number of students that initially enroll at a four-year institution and obtain a degree:

         (1)   Within four years of enrollment;
         (2)   Within four to five years of enrollment; and
         (3)   Within six years of enrollment;

(Measures the number of program completers at an institution based on the IPEDS definition of program completion success (six years) and other time measures. However, the measure does not include transfer students. The different time periods included in the subdivision indirectly measure an institution's success in providing courses in a timely manner to allow a student to successfully complete a program in four years. The measure also indirectly corresponds with an institution's academic advising function which is used to guide students into programs and courses.)

Please contact me with any questions.

Brady

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www.legis.nd.gov

SB 2032 AMENDMENTS

2. a. This section requires the NDUS to maintain data relating to the retention rate of students who initially enroll at each institution. This retention rate is measured by the students who enroll in the spring semester at the institution they originally enrolled at the previous fall semester. This would help identify the success each university has in retaining their students.

2. b. This section requires the NDUS to maintain data relating to the retention rate of students who initially enroll in a NDUS institution for the fall semester and enroll the following spring at any NDUS institution. Essentially this measures the "system's" retention rate from the fall semester to the following spring semester. I believe this information would be useful to legislators, the public and management of the university system.

2. c. (1) This section requires the NDUS to maintain data regarding the number of students awarded degrees, certificates or diplomas at each institution for each academic year. This information would primarily assist the University System establish information relating to trends for each of the institutions

2. c. (2) This section would appear to require a comparison of the data in c (1) above with similar data from peer institutions. **NOTE:** This does not appear to require comparison of the information in 2 a or 2 b or the other information called for in other parts of section 2 to peer institutions because it refers to "this subdivision" which would appear to me to relate to 2 c only. If this comparison to peer institutions is to be conducted and included by the university the wording to this section should be changed to clarify that. Finally, section 3 a requires comparison to national benchmarks which may be interpreted to not include comparison with peer institution information

2 d. This section would appear to require each institution to measure its progress toward the goals and the implementation steps and timelines established in the university system's strategic plan. This information should be useful to both legislators and university system management.

2 e. This section would appear to require the university system to maintain data regarding the number of students who obtain a certificate or diploma within 3 years of enrollment at a two-year institution.

2. f. This section would appear to require the university system to maintain data on students that initially enroll at a four-year institution and obtain a degree: within 4 years of enrollment; within 4-5 years of enrollment; and within 6 years of enrollment.

2. g. This section would appear to require the university system to maintain data on the number of students eligible for Pell grants who: initially enroll at a 2 year institution and obtain a certificate or diploma within 3 years; initially enroll at a 2 year institution and obtain a certificate or diploma within 3-4 years of enrollment; and initially enroll at a 4 year institution and obtain a degree within 4-6 years of enrollment. **NOTE:** I am skeptical the university system will have this information readily available or that they will be able to accumulate it without significant effort.

2. h. This section appears to require the university system to maintain data on the number of students who were not eligible for Pell grants who: initially enroll at a 2 year institution and obtain a certificate or diploma within 3 years of enrollment; initially enroll at a 2 year institution and obtain a certificate or diploma within 3-4 years of enrollment; and who initially enroll at a 4 year institution and obtain a degree within 4-6 years of enrollment. **NOTE:** I am skeptical the university system will have this information readily available or that they will be able to accumulate it without significant effort.

3. a. This information appears to require that the report required by section 2 categorize the required information by resident and nonresident students at each institution within the university system and compare the data with national benchmarks. **NOTE:** Since approximately 50% of the students in North Dakota are nonresidents I believe this measure would provide useful information. However I believe that once again this information is not readily available within the University System. However I believe the University System would be able to accumulate this information.

3. b. This section appears to identify certain classifications of students that would not be included in the data required by in other sections of this report. In essence it appears those students who are not "degree-seeking" students would not be included.

Section 2. This section calls for the State Auditor's Office to conduct a performance audit of the performance and accountability measures established for the North Dakota University System. This performance audit would be conducted during the interim and be available to the 2015 legislature. **NOTE:** If possible, I would prefer that the words "at a minimum" be inserted prior to the phrase "examine the accountability...". The reason is that in order for us to maintain our independence (one of our most important qualities) we have to have the ability to determine the final scope of the performance audit. We would of course follow the law.

ESTIMATED COSTS RELATING TO THE PERFORMANCE AUDIT OF FEES CHARGED AT NORTH DAKOTA STATE UNIVERSITY AND UNIVERSITY OF NORTH DAKOTA

#3

The schedule below identifies estimated costs involved in the performance audit of fees charged at North Dakota State University (NDSU) and the University of North Dakota (UND) conducted by the State Auditor's office. The audit was completed in June 2012. The amounts shown include expenses estimated by the State Auditor's office, NDSU, and UND, and related costs of the special meeting of the Legislative Audit and Fiscal Review Committee (LAFRC) to receive the audit report.

Estimated Costs					
	Staff Hours	**Cost of Staff Time**	**Travel/Other Expenses**	**LAFRC Per Diem**	**Total**
NDSU	1,152	$76,600	$2,348		$78,948
UND	1,215	111,100	3,149		114,249
State Auditor's office	4,500	139,131	4,175		143,306
LAFRC			2,612	$2,434	5,046
Total	6,867	$326,831	$12,284	$2,434	$341,549

PERFORMANCE AUDIT REPORT

University System Office
Report No. 3033

February 4, 2013

STATE AUDITOR
ROBERT R. PETERSON

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. BOULEVARD AVENUE – DEPT 117
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February 4, 2013

Honorable Jack Dalrymple, Governor

Members of the North Dakota Legislative Assembly

We are pleased to submit this performance audit report on aspects of the North Dakota University System Office. This report contains the results of our review of whether the System Office is adequately staffed to perform its functions.

The audit was conducted at the request of the Legislative Audit and Fiscal Review Committee. We conducted this audit under the authority granted within North Dakota Century Code Chapter 54-10. Included in the report are the objective and scope, findings and recommendations, and management responses.

Respectfully submitted,

Robert R. Peterson
State Auditor

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Executive Summary

Results and Findings

Recommendations addressed in this report are listed in Appendix A. Discussions relating to individual recommendations are included in Chapters 1 and 2.

Staffing and Functions

To determine whether the System Office was adequately staffed to perform its functions, we reviewed information from other states, reviewed information regarding the functions of the System Office, and interviewed selected personnel. We concluded a comparison of overall staffing levels to other states is, by itself, not reliable due to various differences in responsibilities of the system offices, the number of institutions, students included in the systems, and the differences in centralization of functions. When comparing various functional areas of the System Office to other states, it appears the staffing level may be low. However, if staffing at the campus level were to be considered in the comparison, even areas which initially appeared low were then comparable to the other states. We also identified concerns related to the lack of a plan for the System Office identifying functions or performance measures. Taking into consideration this information and other factors, we determined the System Office Itself does not appear to be adequately staffed. However, resources within the entire university system may be available to adequately staff the System Office.

We conclude the System Office should be adequately staffed to perform its functions. This would include determining whether campus resources can be used by centralizing certain functions and providing support for personnel costs. A system-wide monitoring function needs to be established by the System Office. We conclude there is not a unified system of higher education. We identified improvements are needed with planning.

System Office Improvements

Our review of compliance with laws, policies, and procedures identified improvements were needed. The System Office should ensure early retirement agreements only include payments authorized by policy. We identified improvements were needed with the assessment of campuses for paying the costs of System Office employees. Improvements are needed related to the internal audit function within the university system. Reviews of laws, policies, and procedures should be conducted to ensure information is up-to-date and reflective of current practices. The System Office should make improvements to ensure information provided is consistently and accurately reported.

Staffing and Functions of the System Office

Introduction

The objective of this performance audit was to answer the following question:

> "Is the University System Office adequately staffed to perform its functions?"

In the work performed to answer the objective, a number of factors made it difficult to determine whether or not the University System Office (System Office) was adequately staffed. For example:

- We identified staffing levels of other states' university system offices. However, a comparison of overall staffing levels to other states, by itself, is not reliable due to various differences in responsibilities, the number of institutions, students included in the systems, and the differences in centralization of functions.

- We identified various functional areas of operations to compare with other states. In certain areas, it appears the System Office staffing level is low. However, if staffing at the campus level were to be considered in the comparison, even areas which initially appeared low were then comparable to the other states.

- We identified no plan for the System Office which documents what the functions of the office are, what the office is attempting to accomplish, or what performance measures could be used in determining if the office functions in an efficient and effective manner.

- During the time we performed our audit work, a number of significant changes were being made with the System Office including personnel changes, operational and reporting changes, and implementing new plans.

Taking into consideration the above information, we determined the System Office itself does not appear to be adequately staffed. However, resources within the entire university system may be available to adequately staff the System Office. We did not identify an amount of staffing needed due to the factors listed above.

Significant improvements related to resources, monitoring, planning, and being a unified system are included in this chapter. Improvements of less significance were communicated in a separate letter to management of the System Office.

To determine whether the System Office was adequately staffed to perform its functions, we:

- Reviewed applicable laws and policies;
- Identified System Office positions;
- Reviewed functions and responsibilities;
- Reviewed information from other states; and
- Interviewed selected personnel.

System Office Staffing Level of 113.5

We performed a review to determine the staffing level of the System Office as of June 30, 2012. Based on a review of payroll information, organizational charts, employee directories, job descriptions, and financial information as well as discussions with System Office representatives, we identified the staffing level to be 113.5. This includes a staffing level of 30.5 directly within the System Office as well as a staffing level of 83 for the System Information Technology Services (SITS). The total staffing level was confirmed by the System Office. Information related to the staffing level of 113.5 can be seen in Appendix B.

The staffing level we identified does not represent a full-time equivalent (FTE) amount for the System Office. When an FTE amount is reported by the System Office, the amount only includes positions which are paid with general fund moneys. We identified certain positions were paid with other funding sources (such as moneys from an assessment of campuses and federal funds). Also, we identified a position within the System Office (Chief Information Officer) was classified as an "independent contractor" and thus, would not have been included in an FTE amount.

> We identified the staffing level of the System Office to be 113.5 (includes system information technology staffing level of 83). The legislatively approved FTE amount for the System Office for the 2011-2013 biennium was 23.3.

The System Office had a legislatively approved amount of 23.3 FTE for the 2011-2013 biennium. However, certain positions of the System Office would not be included in this amount due to the moneys used to fund positions and the reporting relationship of a position (not considered an "employee"). Also, the FTE amount does not include the staffing level of SITS as the positions were included in the two largest universities' budget information. We conclude the SITS employees should be included in the staffing level of the System Office as they report to a position in the System Office as well as perform certain functions for the entire university system (technology, institutional research, etc.)

During our audit field work, we identified a significant amount of turnover within the System Office since June 30, 2012. Certain positions vacated have yet to be filled (for example the Director of Financial Aid). We also identified new positions have been created (such as a special assistant to the Chancellor, a compliance position, and an additional internal audit position). The System Office has the flexibility to adjust the FTE amount during a biennium and is only required to report the change to the Office of Management and Budget (OMB). We identified campuses were being assessed the cost of certain positions. The positions paid with moneys received from the campuses would not be reflected in the FTE amount and no requirement exists to identify such positions to the legislature or OMB.

Obtaining Resources to Adequately Perform Functions

We selected eight other states to review for comparison purposes. The eight states included nine university systems, as Minnesota has both the University of Minnesota and the Minnesota State Colleges and Universities systems. See Appendix C for further information regarding the other states' systems and comparisons with the System Office. In review of the System Office and the university system offices of the eight other states, it appears the System Office does not have the necessary resources to perform certain functions. Examples identified in comparison to other states follows.

Internal Audit

Of the 9 other state university systems reviewed, we identified 7 had an internal audit function or equivalent within the system office. Of the 7, 6 appeared to have a higher internal audit staffing level than the System Office (staffing size ranged from one to 17.5). To factor in the size of university systems, a comparison of student headcount per internal audit staffing level was done. The System Office had one internal auditor and a student headcount of approximately 49,000. Larger ratios identified included 36,000 to one (South Dakota system) and approximately 29,000 to one (Minnesota State Colleges and Universities system). Lower ratios identified included approximately 4,000 to one (University of Minnesota system) and 7,000 to one (Alaska system).

North Dakota had one internal audit position in the System Office as of June 30, 2012. An additional internal audit position was approved by the State Board of Higher Education (SBHE) in July 2012 and the position has yet to be filled as of the end of January 2013. We identified three internal audit positions within North Dakota State University (NDSU) and the University of North Dakota (UND). These positions do not report to the System Office (see Chapter 2, subsection entitled *Establishing an Appropriate Reporting Structure* for additional information). If the additional internal audit position is hired and the three campus internal auditors were to report to the System Office, the System Office would have a total of 5. When this number is used for comparison purposes, an internal audit staff to student headcount ratio of just under 10,000 to one would exist. This would result in the System Office being comparable to the other state university systems reviewed (as measured by student headcount). In certain cases, the System Office would have a larger internal audit staffing level than the other systems after accounting for differences in size.

Legal Counsel

All 9 of the other state university systems reviewed had a legal counsel related function. We identified 7 of the state university systems had a higher legal counsel staffing level than the System Office (staffing sizes ranged from one to 37). The System Office had two legal counsel staff. The majority of the time (65% according to the System Office) of these two legal counsel staff is spent working

> In comparison with other state university systems, we identified the staffing level for internal audit within the System Office was low. If the campus internal audit positions and newly created System Office internal audit position were included, the System Office internal audit function would be comparable to other state university systems.

with nine institutions. To factor in the size of university systems, a comparison of student headcount per general counsel staffing level was done. The System Office has a 24,500 to one ratio. In contrast, the Minnesota State Colleges and Universities system has a ratio of approximately 29,000 to one and four systems have a ratio lower than 10,000 to one (ranging from approximately 2,000 to 10,000).

At NDSU and UND, we identified 5 legal counsel positions (attorneys), 2 legal assistant positions, and a records manager assigned to the legal area (not an attorney). These positions do not report to the System Office. If these 5 attorneys and 2 legal assistant positions were to report to the System Office, the System Office would have a staffing level of 9. When this number is used for comparison purposes, a legal counsel staff to student headcount ratio of approximately 5,400 to one would exist (student headcount approximately 49,000). This would result in the System Office being comparable to the other state university systems reviewed. In certain cases, the System Office would have a larger legal counsel staffing level than the other systems after accounting for differences in size.

> If all legal counsel positions within the university system were used for a comparison, North Dakota would be comparable to other state university systems and would have a larger legal counsel staffing level in certain cases.

Capital Planning/Facilities/Land Management
For the 7 other state university systems in which we could identify information related to staffing levels for capital planning/facilities/land management, it appears 5 systems had staff dedicated to this area. There is no System Office position dedicated for capital planning. Rather, a Vice Chancellor performs certain capital planning functions as part of their duties.

We identified certain states had centralized more functions and as a result, had a higher staffing level than the System Office. For example, centralized areas such as human resources, legal counsel, internal audit, and capital planning/facilities/land management were identified in other states' system offices. Limited or no dedicated positions exist within the System Office to perform similar functions. Rather, the resources to perform such functions exist at the campus level. It appears if certain functions were centralized and/or resources available at the campuses were shifted, staffing could be available to the System Office without increasing the actual number of employees within the university system.

> Certain other states have centralized more functions and thus, have a higher staffing level than the System Office.

It appears certain functions which could be performed by the System Office are not being performed. For example, the next section of this report identifies a lack of monitoring of operations for both the System Office and the campuses. Within the university system, a number of operations remain decentralized and resources are at the campus level.

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Recommendation 1-1

We recommend the University System Office take appropriate action to obtain the necessary resources to adequately perform the functions and duties of the office. This should include determining whether campus resources can be used in centralizing certain functions and providing support for personnel costs.

Management's Response

We agree. The State Board of Higher Education and the University System Office have identified the need for additional resources and worked to obtain them. We identified several positions that need to be added to our office and requested funding for them from the state legislature. As recommended, we also are exploring options for obtaining necessary resources from our campuses to ensure we can carry out our responsibilities.

Establishing a Monitoring Function

According to *Internal Control – Integrated Framework* from the Committee of Sponsoring Organizations (COSO) of the Treadway Commission, internal control consists of five interrelated components, one of which is monitoring. The report states internal control systems "need to be monitored – a process that assesses the quality of the system's performance over time. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two." The report states monitoring ensures internal control continues to operate effectively.

We identified a lack of adequate monitoring of the System Office operations. We identified a number of noncompliance issues with policies and procedures and other improvements needed within the System Office which may have been identified if adequate monitoring was taking place. For example, SBHE policy requires written contracts to exist for payments for services and legal counsel is to review contracts entered into by the System Office. In review of a list of contracts provided by the System Office and expenditure data, we identified payments were made to three vendors when no written contract existed or the written contract did not contain applicable terms and conditions. Thus, the System Office was in noncompliance with Board policy. We also identified the System Office has been making grant and scholarship payments to the 11 institutions via a manual check rather than using electronic transfers for payments. This inefficient process has existed since October 2004.

A lack of monitoring exists for the operations of the System Office as well as for the operations of the institutions.

We identified a lack of an adequate review of laws, policies, and procedures. Certain laws, policies, and procedures appear to be outdated and not reflective of current practices. For example, various state laws require certain scholarships administered by the System Office to use warrant-checks prepared by OMB in making payments to the institutions. Since October 2004 when the System Office moved to PeopleSoft (new accounting system), no scholarship payments have been processed through OMB. Thus, the System Office is in noncompliance with the requirements.

We also identified there is a lack of system-wide monitoring of operations. No monitoring, to very limited monitoring, takes place on a system-wide basis and limited monitoring of institution compliance with SBHE policies and NDUS procedures exists. While the SBHE establishes policies, there is limited assurance such policies are adhered to in a consistent manner. Previous performance audits conducted by our office identified noncompliance issues with policies. The noncompliance issues we identified were not previously known by the System Office or the SBHE.

We identified no specific requirement in law, policy, or procedure related to the System Office's responsibility for monitoring campus operations and determining compliance. However, a sound system of internal control should include a monitoring aspect. Due to the lack of monitoring, management is unable to take corrective actions in a timely manner to mitigate risks, ensure compliance with requirements, and make necessary changes to operations.

Recommendation 1-2

We recommend the University System Office establish a system-wide monitoring function for the university system. At a minimum, the monitoring function should:
  a) Ensure the System Office and the institutions are in compliance with state, federal, and university system requirements; and
  b) Review operations of the System Office and institutions to identify significant risks and areas where improvements in efficiency and effectiveness are needed.

Management's Response

We agree. In November 2012, a Chief Compliance Officer was hired to implement and administer a compliance program for the university system. Ongoing monitoring to ensure compliance and identify risk areas will be an important component of that compliance program. Additional FTEs will be necessary to fully implement the program.

Ensuring a Unified System of Higher Education Exists

In 2001, the following section was codified into state law (North Dakota Century Code Section 15-10-01.2):
> "The institutions of higher education under the control of the state board of higher education are a unified system of higher education, as established by the board, and are designated as the North Dakota university system."

In previous performance audits conducted by our office, we identified concerns related to the university system not being a unified system of higher education. This audit identified additional concerns related to the lack of a unified system. While steps have been taken by the System Office to make certain areas more unified (such as transfer of credits between institutions), there are a number of areas in which a unified system does not exist. Within a unified system, certain functions could be centralized which could lead to more streamlined processes and a

shift of resources from a campus specific function to a university system function.

Previous performance audits identified a lack of a unified system related to capital projects and with student fee establishment, monitoring, and use. During this audit, we identified additional information related to a lack of a unified system. For example, each institution has its own financial aid manual and no system-wide manual exists. While a university system accounting manual has been established, NDSU and UND are provided an exemption for the fund ranges and budget ledgers to be used. Also, admissions are not as streamlined as they could be for a student who may move from one institution to another institution within the system.

We identify a lack of a unified system for financial statements. Each institution prepares its own financial statements. To prepare consolidated financial statements for the university system, the System Office uses the information from the institutions. In past years, the System Office was unable prepare financial statements for the university system in conformity with Generally Accepted Accounting Principles (GAAP) without a substantial number of audit adjustments required by our office.

An outside vendor completed a risk assessment of the university system in 2011. The report for the System Office identified various information related to the lack of a unified system. For example:
- The report states a risk is that the "System does not consistently operate as a unified system of higher education, with the primary focus on what is in the best interest of the student and state, as opposed to the institution. In addition, there is not a collaborative mentality within some institutions and it is not productive to meeting the state's expectations."
- The report states a risk is that there "appears to be significant opportunities to improve effectiveness and efficiency, as a System, by focusing on consistency of approach and collaboration for both academic and administrative functions; however, it will take strong, committed leadership to do so."
- The report states a risk is that PeopleSoft is not being utilized to its full capabilities. Also, there is a lack of consistency across institutions as it relates to the use of PeopleSoft modules, legacy systems, and other methods of housing data and information for reporting. The response from the System Office stated it is prudent an assessment be conducted to identify improvements. The response also states that "until there is recognition and commitment to moving to consistent best practice business procedures across the NDUS the potential of many improvements cannot be realized."

In interviews conducted with System Office representatives in August 2012, three senior staff and the current Chancellor indicated they did not believe North Dakota had a unified system of higher education. The

> We identified the lack of a unified system of higher education. The lack of a unified system was also identified in a risk assessment of the university system as well as being recognized by certain System Office representatives and SBHE members.

former Chancellor stated the system was not as unified as it could/should be. In interviews conducted with SBHE board members in August and September 2012, three members indicated they did not believe North Dakota had a unified system of higher education and two others stated the university system was moving in the direction of a unified system but areas of improvement remained.

In review of SBHE policies and NDUS procedures, we identified a number of instances in which institutions are allowed to establish their own procedures or determine how to operate in certain areas. A unified system appears to be hampered when a system-wide policy is not established. Having each institution developing their own policies and procedures may not be efficient as there would need to be resources expended at the 11 institutions to do this rather than having a policy established for the entire system. Also, instances in which institutions are allowed to establish their own policies and procedures may not promote efficiency and/or ensure compliance with laws and regulations since each institution is allowed the latitude to set different and inconsistent policies/procedures. While there could be certain areas in which each institution may need their own procedure (such as routing of a purchase order for an institution), the number of instances we identified allowing such latitude appears high.

Recommendation 1-3

We recommend the University System Office take appropriate action to ensure there is a unified system of higher education. If a unified system is unattainable, appropriate action should be taken to remove unified system language in laws and make appropriate changes to higher education's organizational structure and operations.

Management's Response

We agree there is a need to take appropriate action to ensure there is a unified system of higher education. The State Board of Higher Education has directed the University System Office to ensure North Dakota has a truly unified system of higher education, and this is a priority for us. By unifying the system, we can turn a good education system into a great one and more efficiently and effectively serve the citizens of our state.

Improving Plans for the University System

In review of strategic planning information, we identified improvements were needed. We identified the lack of a documented plan establishing the functions, duties, and expectations of the System Office. We also identified improvements were needed with information contained in the strategic plan and how performance is measured.

Developing a Plan for the System Office

SBHE policy requires each institution to adopt a strategic plan and implement a strategic planning process involving faculty, staff, and institution constituents. The policy requires the institution strategic plans to define institutional priorities to carry out the institution's mission and be aligned with the university system's strategic plan and SBHE policies. However, no such requirements exist for the System Office to develop a

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plan or to involve certain parties in creating a plan. The university system's strategic plan includes no references to the System Office. We identified no plan for the System Office which documents specific requirements or what the System Office was attempting to accomplish in a given time period (whether short term or long term).

Determining whether the System Office is performing well or meeting expectations is hindered by the lack of an established benchmark or measurement. The lack of a plan also hinders reaching a conclusion as to the appropriate amount of resources needed for the System Office. A plan should exist to guide or align resources to ensure resources are used in a consistent manner with a strategy or goal.

> **Determining whether the System Office is performing well or meeting expectations is hindered by the lack of an adequate plan being developed.**

The motion passed by the Legislative Audit and Fiscal Review Committee requesting this performance audit included a review of the functions of the System Office and a review of the effectiveness of the office to provide support to campuses and address and resolve university system issues. It was unclear what functions and support were actually provided by the System Office as this had yet to be formally documented. As a result, accountability for the System Office is lacking as no expectations are established.

Based on discussions with System Office representatives, the support provided to campuses is done on a case by case basis and is affected by whether the System Office had the resources and/or expertise to be able to provide support. For example, the System Office has been able to provide budgeting support to campuses lacking the expertise or personnel due to turnover issues. However, in other areas the System Office is lacking the resources to provide support and attempts to coordinate or request assistance from other campuses. We identified dedicated staffing positions for grant writing and legal counsel within the System Office. However, these positions are mainly providing services for the smaller nine institutions (NDSU and UND have their own grant writing and legal counsel positions).

A lack of a formalized plan may also lead to a potential "disconnect" with what the System Office is attempting to accomplish and what campuses, legislators, or citizens believe is to be accomplished. For example:

- When information became public regarding cost overruns of Presidents' houses at NDSU and UND and issues at Dickinson State University, questions were raised as to why the System Office wasn't aware of such information prior to the performance audits. The System Office performs limited, to no, monitoring of the campuses. However, it is apparent there is an expectation among third parties the System Office is, or should be, monitoring operations.
- The legislative motion passed requesting this performance audit included a review of the effectiveness of the System Office to provide support to campuses and address and resolve university system issues. We identified no state laws requiring the System Office to

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provide support to campuses and limited policies and procedures related to support to be provided.

- We conducted a survey of various campus representatives to obtain information related to the System Office. Respondents were asked to identify and prioritize what they believed are the roles of the Chancellor and System Office. Of the 79 respondents who identified a #1 priority, 21 indicated it should be to advocate on behalf of institutions to the SBHE and/or the legislature. There were 20 respondents who believed the #1 priority was to carry out a vision capitalizing on the collective assets and capabilities of the individual institutions to meet the state needs. The survey results indicate the campuses have differing views of priorities for the System Office.

Recommendation 1-4

We recommend the University System Office develop a plan to establish the expectations of the office and use the plan to guide resource allocation.

Management's Response

We agree. We will review and consolidate our strategic plan into one document and more clearly identify the resources required for it.

Improving Strategic Planning and Measuring Performance Processes

North Dakota Century Code (NDCC) Section 15-10-14.2 requires the SBHE to adopt a strategic planning process and develop a strategic plan to define and prioritize university system goals and objectives. Also, the SBHE is required to provide an annual performance and accountability report regarding performance and progress toward the goals outlined in the strategic plan and accountability measures.

SBHE Policy 303.2 identifies what is to be included in the university system's strategic plan, information on the planning process, and other reporting information. The policy states, in part:

> "The strategic plan shall include a vision, strategic goals and objectives to be achieved, or for which substantial progress may be made, over a period of years. Objectives shall be specific, measurable, and actionable with assigned responsibility and time frames."

A 2009-13 NDUS Strategic Plan and Objectives was established for the university system. The plan includes four goals and various objectives related to the goals. While certain objectives appear to be measurable, others do not. For example, one objective is to increase the SBHE opportunity for discussion of strategic policy topics. It is unclear how this is to be measured and what the expectation or benchmark is (increased by what amount, type of opportunity to exist – formal meeting, retreat, informal discussions, etc.). Also, another objective is to increase awareness of the System and its institutions through a common, consistent message. It is unclear what the expectation or benchmark is and how this is to be measured (awareness by who, increase by what amount, etc.).

The System Office completes an annual progress report related to the status of objectives in the strategic plan. In addition, the System Office completes an annual performance and accountability report. While certain objectives within the university system's strategic plan are included in the accountability report, other objectives are not. Also, the benchmark or what the objective is to be measured against is not always the same within the strategic plan and the accountability report.

> Rather than one report being completed to measure the performance of the university system, resources are expended to generate two similar reports.

Certain information included in the performance and accountability report was required to be reported pursuant to state law (the 2011 Legislative Session did not include such requirements). While certain legislative mandated measures were similar to the strategic plan objectives, there were differences. Also, it appears the SBHE added additional measures to the accountability report. As a result, the System Office is publishing two reports (an annual progress report and an annual performance and accountability report) in an attempt to measure performance of the university system.

Recommendation 1-5

We recommend the University System Office make improvements with the university system's strategic planning and measuring performance processes. At a minimum, the System Office should:
  a) Ensure compliance with state law and Board policy requirements: and
  b) Align resources for measuring performance to maximize efficiency.

Management's Response

We agree and will work to follow the recommendation.

System Office Improvements

Introduction

To conclude on the audit objective of whether the System Office is adequately staffed to perform its functions, we reviewed information related to operations and compliance with laws, policies, and procedures. Significant improvements are included in this chapter. Improvements of less significance were communicated in a separate letter to management of the System Office.

Early Retirement Agreement Compliance

On October 8, 2012, the Chancellor signed an early retirement agreement with the former System Office General Counsel. The agreement identified the employee's retirement date as November 5, 2012. We identified the total cost of the early retirement agreement to be approximately $145,000. This does not include the required payout of the earned annual and sick leave while employed (over $22,000). In review of the agreement, we identified the following information:

- The agreement included the payment of monthly premiums by the System Office for the employee's health insurance through June 2017 (55 months). Using current health insurance rates identified in Public Employees Retirement System information, the cost of continuing to pay insurance will total approximately $38,000 (no adjustment for increased premium amounts).
- The agreement included provisions to grant annual and sick leave through June 30, 2013 even though the individual was no longer an employee as of November 5, 2012. The cost for the additional accrual of leave while not an employee was approximately $7,450.
- Approximately $90,000 of moneys received from nine campuses and the System Information Technology Services (SITS) were used to pay the early retirement installment payments ($74,000) as well as payment for sick and annual leave earned while employed ($16,000).

An early retirement agreement with a former employee of the System Office has a total cost of approximately $145,000.

We reviewed State Board of Higher Education (SBHE) policies related to early retirement agreements and the termination of employees. If the former General Counsel was to be terminated without cause, Board policy required a 12 month notice to be provided. Based on a discussion with a representative of the System Office, it appears the 12 month notice was discussed as an alternative to the early retirement agreement. We identified the System Office provided a 12 month notice of termination in July 2012 to the Vice Chancellor for Academic Affairs. This employee retained their title and was reassigned to Bismarck State College to work on special projects. The salary for the employee remained the same (approximately $180,000 a year). The policy related to a 12 month notice was amended in September 2012 (now a six month notice is to be provided).

The early retirement agreement with a former employee of the System Office inappropriately included over $10,000 of employer contributions to the employee's TIAA-CREF retirement account.

According to the agreement, over $10,000 of employer contributions to the employee's TIAA-CREF retirement account were to be made. SBHE Policy 703.1 states early "retirement/buyout payments shall not include employer contributions to TIAA-CREF retirement accounts." Thus, the employer contributions were in noncompliance with SBHE policy. It appears the employer contribution provision was not properly identified

in the drafting and reviewing of the agreement. The SBHE passed no motion to waive the requirement.

Recommendation 2-1

We recommend the University System Office comply with State Board of Higher Education Policy 703.1 and ensure early retirement agreements only include payments authorized by policy.

Management's Response

We agree and will ensure early retirement agreements comply with Policy 703.1.

Assessing Campuses for System Office Positions

In review of the funds used to pay the early retirement agreement of the former General Counsel, we identified information related to the campuses being assessed the costs related to certain System Office personnel. Background information we identified related to assessing campuses included:

> Costs of certain System Office employees are being assessed to the campuses.

- A special fund called "Internal Audit Campus Share" (Fund 20010) was established for the initial assessment of the campuses in fiscal year 2012 to pay the costs of the Director of Internal Audit and Risk Assessment position. This position was paid from general funds in fiscal year 2011 (new position filled in February 2011).
- On July 6 2012, the new Chancellor sent a memo to SBHE members related to the fiscal year 2013 System Office annual budget. The memo identified a proposed SBHE motion to authorize the addition of a senior level internal audit position and a senior level compliance officer position to be funded through a campus assessment. This would increase the number of positions paid using campus assessment moneys to three.
- At the July 12, 2012 SBHE meeting, the Board approved a motion to add the two positions to the System Office and fund the costs with a campus assessment. The minutes of the meeting state the Chancellor "supports the assessment of costs for audit staff to campuses and asked that the assessments be extended to include additional legal staff." We identified no SBHE motion approving campuses be assessed for legal staff.
- In an August 16, 2012 memo from the Chancellor to the Chancellor's Cabinet, a schedule was included for the campus assessment for one additional internal audit position and one new compliance position. Also, the memo stated effective October 1, 2012, nine campuses and SITS would be assessed for the cost of legal services. The memo stated for the two legal positions within the System Office, the costs of services will be paid by the System Office (30%), SITS (5%), and the nine smaller campuses (65%).
- Campuses submitted payment for their assessments in August through October. All moneys received for the assessment of the five positions within the System Office are coded using the same fund. We identified the additional internal audit position has not been filled as of the end of January 2013 and the compliance officer position was filled November 5, 2012.

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The memo from the Chancellor in August 2012 stated nine campuses and SITS will be assessed for the cost of legal services. It appears the assessed amount for the cost of legal services was calculated based on the salary amounts of the two legal counsel positions for October 2012 through June 2013. However, the moneys received in the assessment were used to pay 70% of the early retirement agreement payments as well as the accumulated annual and sick leave balances of the former General Counsel (approximately $90,000). Prior to October 2012, it appears salary payments for the former General Counsel were from general funds only. Due to the assessed moneys received being used for the early retirement agreement, it appears the assessed amount for legal services will not be sufficient to cover the cost of legal services for fiscal year 2013 as intended.

Recommendation 2-2

We recommend the University System Office make improvements related to the assessment of campuses for paying the costs of employees. At a minimum, the System Office should:
   a) Obtain proper State Board of Higher Education approval prior to assessing campuses;
   b) Ensure assessments are properly budgeted and accounted for at the System Office and campus level; and
   c) Ensure moneys assessed are used for the purpose for which the assessment was charged.

Management's Response

We disagree to the extent of the following. For subpart (a), the University System Office recognizes the need for good communication with the Board and accurate understanding of the Board's directives, so steps were taken to communicate with the Board regarding the assessments. There is not a Board policy requiring approval for assessments, but we recognize the inconsistency noted by the auditors.

We agree with Recommendation 2-2 (b) and will work to follow the recommendation.

We also note for Recommendation 2-2 (c) that the assessed moneys have been used to pay salaries and expenses for the Director of Internal Audit and Risk, the Chief Compliance Office, the General Counsel and Assistant General Counsel. They were also used to cover the salary and benefits included in the former General Counsel's early retirement agreement.

Improving the NDUS Internal Audit Function

In November 2010, a university system internal audit function was established. The Director of Internal Audit and Risk Assessment is to work with the 11 institutions and the System Office to develop a consistent internal audit methodology and a consultative approach for identifying potential risks and the corresponding controls throughout the university system. We identified improvements were needed with the reporting structure of internal auditors within the university system. Also, an internal audit charter should be formally documented and approved.

Establishing an Appropriate Reporting Structure

> Having the internal audit positions at NDSU and UND report to the respective institution presidents is not efficient or effective.

While the July 2012 SBHE meeting minutes identified a senior level internal audit position was to be filled for fiscal year 2013, as of the end of January 2013 the position had not been filled. As a result, there is one employee within the System Office's internal audit area. We identified North Dakota State University (NDSU) and the University of North Dakota (UND) have internal audit staff. The one internal auditor at NDSU and the two internal auditors at UND report to the respective institution presidents. While an attempt was made by the System Office to properly organize the institutional internal .auditors under the supervision of the Director of Internal Audit and Risk Assessment, a SBHE committee denied the change in March 2012. Based on a review of information, it appears the Presidents of NDSU and UND were able to convince Board members the institutional internal audit staff were of greater value reporting within the institutions rather than reporting to the System Office.

The current reporting structure existing within the university system is not efficient or effective. In accordance with The Institute of Internal Audit (IIA) standards, the institutional internal audit staff would not be considered independent. Due to this, our office would be unable to rely on the work performed by the staff and the System Office should also not rely on the work performed. This could result in the Director of Internal Audit and Risk Assessment having to perform work in an area which had already been reviewed by the institutional internal audit staff.

Recommendation 2-3

We recommend the University System Office take appropriate action to have internal audit functions within the university system report to the appropriate System Office personnel rather than to an institution president.

Management's Response

We agree and will take appropriate steps to comply with the recommendation.

Establishing an Internal Audit Charter

In November 2010, the SBHE approved a policy resulting in the establishment of an internal audit function for the university system. According to this policy, the internal audit function was to be modeled after The IIA "International Standards for the Practice of Internal Auditing" and Government Auditing Standards. The IIA standards state:

> "The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval."

As of the end of January 2013, no internal audit charter had been established for the university system internal audit function.

Recommendation 2-4	We recommend the University System Office establish an internal audit charter consistent with the definition of internal audit, the Code of Ethics, and other applicable standards. At a minimum, the charter should identify the purpose, authority, and responsibilities of the internal audit function.
Management's Response	We agree. The need for a charter has been identified within our office, and the North Dakota University System audit charter is currently in draft form. It will be presented to the audit committee upon finalization, which is anticipated by the end of the fiscal year.

Making Improvements with Policies and Procedures

As of October 8, 2012, we identified over 160 SBHE policies and approximately 100 NDUS procedures had been established for the university system. In review of policies and procedures, we identified a comprehensive review and updating of information was needed. Also, the establishment of procedures needed to be formalized to ensure consistency.

Performing a Comprehensive Review of Policies and Procedures

In review of SBHE policies and NDUS procedures, we identified certain policies and procedures were outdated, inaccurate, redundant, etc. Examples include:

- SBHE policies make reference to a policy manual index and by-laws. No such index or by-laws exist.
- SBHE policies make reference to other policies which no longer exist.
- NDUS procedures make reference to SBHE policies which no longer exist.
- SBHE policies do not include appropriate references to corresponding procedures.

We identified there was no requirement for a periodic review of policies and procedures and no such review was taking place. Changes to policies and procedures appear to be made on a case by case basis when issues are identified. We conclude certain policies and procedures are not concise, accurate, up-to-date, or user friendly. This could result in inconsistencies in how campuses handle similar situations.

Recommendation 2-5	We recommend the University System Office ensure State Board of Higher Education policies and North Dakota University System procedures are concise, up to date, accurate, and user friendly. At a minimum, the System Office should: a) Perform a comprehensive review of current policies and procedures; and b) Establish a periodic comprehensive review process for policies and procedures.
Management's Response	We agree. We are in the process of a comprehensive review of the policies to ensure they are appropriate, concise, current and easily-understood. We also will establish a timeline for periodic reviews. Upon

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completion of our review, we will propose policy changes to the State Board of higher Education. We plan to have the policies updated by the end of calendar year 2013.

Establishing Guidelines for Procedures

In review of NDUS procedures, the majority of approvals for the establishment of new procedures and amendments to existing procedures were done by the Chancellor's Cabinet. However, we did identify instances in which the approval was not made by the Chancellor's Cabinet. For example, in September 2012, the new Chancellor approved changes. Also, we identified General Counsel approving a change to a procedure. We identified the process to be used for drafting, reviewing, and approval of new and/or amended procedures was not formally documented by the System Office.

Recommendation 2-6

We recommend the University System Office ensure a formal written policy and/or procedure is established regarding the process to be used for drafting, reviewing, and approval of new or amended North Dakota University System procedures.

Management's Response

We agree. The Chancellor has the authority to issue procedures for the university system. This will be clarified as part of our policy updates.

Improving the Indian Scholarship Program

The System Office is required by state law to administer various grant and scholarship programs. As part of this performance audit, a review was performed of information related to the Indian Scholarship Program, Scholars Program, and State Student Incentive Grants. We identified improvements were needed related to the Indian Scholarship Program.

The intent of the Indian Scholarship Program is to assist Native American students in obtaining a basic college education. Awardees were eligible to receive $600 per semester for the 2011-2012 academic year. While the State Board for Indian Scholarships makes the necessary rules and establishes standards, the program is administered by the System Office. To review compliance with applicable requirements, we reviewed 29 applicant files (over 800 applicant files were identified for the 2010-2011 and 2011-2012 academic years).

North Dakota Administrative Code (NDAC) Chapter 42-02-02 requires awardees to notify the scholarship administrator of the student's acceptance or rejection of the award within three weeks of the date on the award notification letter. We identified no acceptance letters were being received by the System Office after the 2008-09 academic year. Representatives of the System Office stated the State Board for Indian Scholarships eliminated the requirement related to acceptance letters. However, no action was taken to modify the requirement in NDAC. We identified no amendments have been made to NDAC Chapter 42-02-02 since August 1, 2000.

NDAC requirements for awards include the applicant to be a full-time student, or to be a part-time student who may need minimal credits to complete their degree requirements within one semester. In a limited review of the Indian Scholarship data, we identified an awardee who was a part-time graduate student not expected to complete their degree requirements within one semester. While NDAC eligibility requirements are for a part-time student to complete their degree requirements within one semester, System Office representatives stated the degree requirement for a part-time graduate student was one year.

Recommendation 2-7

We recommend the University System Office comply with North Dakota Administrative Code Chapter 42-02-02 requirements related to the Indian Scholarship program.

Management's Response

We agree. We will re-examine the scholarship requirements set forth in the regulations. The University System Office, working with the Indian Scholarship Board, will also examine the steps necessary to permit the Indian Scholarship Program to be administered similar to all other financial aid programs, under the policies and procedures of the State Board of Higher Education.

Recommendation 2-8

We recommend the University System Office review North Dakota Administrative Code Title 42 related to the Indian Scholarship program and take appropriate action to make changes.

Management's Response

We agree. See response to Recommendation 2-7.

Providing Consistent and Accurate Data

In a limited review of information related to bachelor degrees awarded by campuses, we identified apparent inconsistencies with the data provided in reports and information presented to a legislative interim committee. For example, in comparison of degree awarded information provided by a campus to the Integrated Postsecondary Education Data System (IPEDS) to a System Office annual report, we identified the campus reported 560 degrees were awarded while the report identified 488 degrees awarded. According to a System Office representative, the System Office only provides oversight in relation to data being completed and the institutions are responsible for the accuracy of the data reported to IPEDS. The representative also stated institutions sometimes use different methodologies when generating data for reporting purposes. The System Office appears to recognize inconsistencies caused by different methodologies is a problem. The lack of consistent reporting within the university system is also indicative of another area in which a unified system does not exist.

Recommendation 2-9

We recommend the University System Office take appropriate action to ensure information provided is consistently and accurately reported.

Management's Response

We agree. In January 2013, we established a Research and Validation Workgroup to ensure data from our campuses and the University

System Office are collected, analyzed and validated appropriately. The workgroup continues to improve the data generated and reported by the system.

Establishing and Maintaining an Appropriate Records Management Program

SBHE Policy 1912 requires the System Office to maintain a continuing program for records management as required by NDCC Chapter 54-46. In our review of information related to selected student financial assistance programs, we identified an inadequate records management system existed. For example, applications did not use a State Form Number (SFN) as required. Also, certain documents related to the scholarship programs were not appropriately identified in a record series. As a result, the System Office is in noncompliance with state law and Board policy.

Recommendation 2-10

We recommend the University System Office ensure compliance with North Dakota Century Code Chapter 54-46 and maintain an appropriate records management program. At a minimum, the System Office should ensure:
  a) State form numbers are used on applicable documents; and
  b) Appropriate record series and retention schedules are established.

Management's Response

We agree. We maintain a records management program. However, we will consult with the Information Technology Department regarding best practices and will update our practices as needed.

Audit and NDUS Background Information

Purpose and Authority of the Audit

The performance audit of the University System Office (System Office) was conducted by the Office of the State Auditor at the request of the Legislative Audit and Fiscal Review Committee. The performance audit was conducted pursuant to authority within North Dakota Century Code Chapter 54-10.

Performance audits are defined as engagements that provide assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices. Performance audits provide objective analysis so management and those charged with governance and oversight can use the information to improve performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability. The purpose of this report is to provide our analysis, findings, and recommendations regarding our limited review of whether the System Office is adequately staffed to perform its functions.

Background Information

Prior to 1990, the public higher education colleges and universities operated under a "commissioner" form of governance in which the State Board of Higher Education (SBHE) and the commissioner functioned primarily in a coordinating capacity. In 1990, the SBHE took action to form the North Dakota University System and the Board went from a coordinating board to a governing board. The change included replacing the commissioner with a chancellor who was designated as the chief executive officer of the university system. In 2001, a new section was added to North Dakota Century Code stating the institutions of higher education under the control of the SBHE are a unified system of higher education and are designated as the North Dakota University System. There are 11 institutions within the university system.

The Chancellor, appointed by the SBHE, oversees the System Office. The legislatively approved full-time equivalent (FTE) amount of the System Office was 21.3 for the 2009-2011 biennium and 23.3 for the 2011-2013 biennium. This represents the positions paid with general funds and does not include positions paid by other funding sources such as grants or assessed moneys received from the campuses. As of June 30, 2012, the System Office itself had a staffing level of 30.5 as well as a staffing level of 83 associated with the System Information Technology Services or SITS (reports to a position within the System Office).

Objective of the Audit

The objective of this performance audit was:
"Is the University System Office adequately staffed to perform its functions?"

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Specific methodologies are identified in the respective chapters of this report.

Audit field work was conducted from the middle of September 2012 to the beginning of February 2013. The audit period for which information collected and reviewed was July 1, 2010 to September 30, 2012. In certain instances, additional information was reviewed. This was done, in part, to review information regarding positions and changes within the System Office. At the beginning of this audit, we conducted a survey of selected campus employees. Of the 130 employees surveyed, 82 completed the survey.

As part of this audit, we evaluated controls surrounding compliance with significant laws, policies, and procedures. We gained an understanding of internal control surrounding these areas. Deficiencies identified with internal controls determined to be significant are addressed in Chapters 1 and 2 of this audit report. Deficiencies of less significance were communicated in a separate letter to management of the System Office.

List of Recommendations

Recommendation 1-1

We recommend the University System Office take appropriate action to obtain the necessary resources to adequately perform the functions and duties of the office. This should include determining whether campus resources can be used in centralizing certain functions and providing support for personnel costs.

Recommendation 1-2

We recommend the University System Office establish a system-wide monitoring function for the university system. At a minimum, the monitoring function should:
   a) Ensure the System Office and the institutions are in compliance with state, federal, and university system requirements; and
   b) Review operations of the System Office and institutions to identify significant risks and areas where improvements in efficiency and effectiveness are needed.

Recommendation 1-3

We recommend the University System Office take appropriate action to ensure there is a unified system of higher education. If a unified system is unattainable, appropriate action should be taken to remove unified system language in laws and make appropriate changes to higher education's organizational structure and operations.

Recommendation 1-4

We recommend the University System Office develop a plan to establish the expectations of the office and use the plan to guide resource allocation.

Recommendation 1-5

We recommend the University System Office make improvements with the university system's strategic planning and measuring performance processes. At a minimum, the System Office should:
   a) Ensure compliance with state law and Board policy requirements: and
   b) Align resources for measuring performance to maximize efficiency.

Recommendation 2-1

We recommend the University System Office comply with State Board of Higher Education Policy 703.1 and ensure early retirement agreements only include payments authorized by policy.

Recommendation 2-2

We recommend the University System Office make improvements related to the assessment of campuses for paying the costs of employees. At a minimum, the System Office should:
   a) Obtain proper State Board of Higher Education approval prior to assessing campuses;
   b) Ensure assessments are properly budgeted and accounted for at the System Office and campus level; and
   c) Ensure moneys assessed are used for the purpose for which the assessment was charged.

Recommendation 2-3

We recommend the University System Office take appropriate action to have internal audit functions within the university system report to the appropriate System Office personnel rather than to an institution president.

Recommendation 2-4

We recommend the University System Office establish an internal audit charter consistent with the definition of internal audit, the Code of Ethics, and other applicable standards. At a minimum, the charter should identify the purpose, authority, and responsibilities of the internal audit function.

Recommendation 2-5

We recommend the University System Office ensure State Board of Higher Education policies and North Dakota University System procedures are concise, up to date, accurate, and user friendly. At a minimum, the System Office should:
a) Perform a comprehensive review of current policies and procedures; and
b) Establish a periodic comprehensive review process for policies and procedures.

Recommendation 2-6

We recommend the University System Office ensure a formal written policy and/or procedure is established regarding the process to be used for drafting, reviewing, and approval of new or amended North Dakota University System procedures.

Recommendation 2-7

We recommend the University System Office comply with North Dakota Administrative Code Chapter 42-02-02 requirements related to the Indian Scholarship program.

Recommendation 2-8

We recommend the University System Office review North Dakota Administrative Code Title 42 related to the Indian Scholarship program and take appropriate action to make changes.

Recommendation 2-9

We recommend the University System Office take appropriate action to ensure information provided is consistently and accurately reported.

Recommendation 2-10

We recommend the University System Office ensure compliance with North Dakota Century Code Chapter 54-46 and maintain an appropriate records management program. At a minimum, the System Office should ensure:
a) State form numbers are used on applicable documents; and
b) Appropriate record series and retention schedules are established.

System Office Staffing Information

As part of this performance audit, we identified the staffing level of the System Office. Based on a review of payroll information, organizational charts, employee directories, job descriptions, and financial information, as well as discussions with System Office representatives, we identified the staffing level to be 113.5. The table below identifies a breakout of the staffing level for the System Office itself as well as the staffing level of the System Information Technology Services or SITS. We conclude SITS staffing levels should be considered within the System Office due to the reporting relationship of SITS as well as the functions performed by SITS. The information in the table below was confirmed by the System Office.

Table B-1 System Office Staffing Level as of June 30, 2012	
System Office:	Staffing Level
Chancellor	1
Support Staff	6
Internal Auditor	1
Finance & Administration	7
Chief Information Officer	1
Planning	3
Academic & Student Affairs	8.5
Public Affairs	1
Legal Counsel	2
SYSTEM OFFICE TOTAL	**30.5**
System Information Technology Services:	
Office of the Chief Information Officer	4
ConnectND – Executive Director	1
ConnectND – Financials & HRMS	21
ConnectND – Security	3
ConnectND – Student Systems	29
On-line Dakota Information Network	9
Advanced Learning Technology	11
Academic Research & Learning Technology	2
Other	3
SITS TOTAL	**83**
TOTAL SYSTEM OFFICE STAFFING LEVEL	**113.5**

The staffing level we identified does not represent a full-time equivalent (FTE) amount for the System Office. When an FTE amount is reported by the System Office, the amount only includes positions which are paid with general fund moneys. We identified certain positions were paid with other funding sources (such as moneys from an assessment of campuses and federal funds). Also, we identified a position within the System Office (Chief Information Officer) was classified as an "independent contractor" and thus, would not have been included in an FTE amount. The legislatively approved FTE amount of the System Office was 21.3 for the 2009-2011 biennium and 23.3 for the 2011-2013 biennium.

Other States' University System Information

During this audit, we attempted to collect certain information from other states' university systems which appeared similar to the North Dakota University System. To compare our state to other states, we selected 8 states (total of 9 university systems identified as two systems exist in Minnesota). States/systems were selected based on proximity to North Dakota, size of the system (headcount, number of institutions, etc.), governing structure (a governing board versus a coordinating board, a chief executive of the system, etc.), and other factors. States selected for review include:

- Alaska
- Maine
- Minnesota
- Montana
- Oregon
- Pennsylvania
- South Dakota
- Wisconsin

University Systems Governing Structure & Composition

For the university systems selected, we identified the governing structure for the systems were similar to our state (governing board rather than a coordinating board, a chief executive for the system existed, and executive positions existed for the institutions within the system). The following table identifies information regarding the university systems reviewed (information provided by a representative of the respective university system or identified in reports/documents on the university systems' websites):

Table C-1 University System Governing Board and Institution Information					
	Voting Board Members	Institutions			Student Headcount [2]
		4 Year	Other [1]	Total	
North Dakota University System	8	6	5	11	49,000
University of Alaska System	11	3	0	3	35,000
University of Maine System	16	7	8	15	31,000
Minnesota State Colleges & Universities	15	7	24	31	205,000
University of Minnesota	12	5	0	5	69,000
Montana University System	7	6	9	15	48,000
Oregon University System	15	7	1	8	100,000
Pennsylvania State System of Higher Education	20	14	0	14	118,000
South Dakota Board of Regents	9	6	2	8	36,000 [3]
University of Wisconsin System	18	13	13	26	181,000

[1] Other includes certain two year colleges, special schools, regional centers, branch campuses, etc. (additional colleges/centers/campuses may exist). Data identified via states' web sites and is provided for informational purposes only.
[2] Student headcount is for the Fall 2011 and numbers are rounded to the nearest thousand.
[3] School for the Deaf and School for the Blind and Visually Impaired not included in headcount.

University System Comparison

In our review of information from other states, we identified certain states had centralized more functions and as a result, had a higher staffing level compared to our state's System Office. In an attempt to compare information, we identified various functional areas of university system offices. The following table identifies staffing level information identified in our review (information provided by a representative of the respective university system and/or identified in reports/documents on the university systems' websites). The staffing level information identifies amounts in the university system offices and does not include additional staffing levels which may exist at the institutions.

Table C-2 Staffing Level Comparison of University System Offices						
	Internal Audit	Institutional Research	Legal Counsel	Capital Planning/ Facilities/ Etc.	Human Resources	Gov't/ Public Affairs/Etc.
North Dakota University System	1	*	2	0	0	1
University of Alaska System	5	16	7	14	19	5
University of Maine System	0	1	4	5	20	5
Minnesota State Colleges & Universities	7	#	7	#	30.6	9.5
University of Minnesota	17.5	16^	37^	#	#	#
Montana University System	0	2.5	2	0	3	0
Oregon University System	12	7	5	2	3	5
Pennsylvania State System of Higher Education	7	11	12	11	17	3
South Dakota Board of Regents	1	3	1	0	2	2
University of Wisconsin System	8	9.75	9	10	17	6.5

* Based on a review of job descriptions for the System Information Technology Services (SITS) positions, it appears approximately 20 employees are performing duties related to institutional research. Information contained in job descriptions is not specific enough to identify the percent of time spent on institutional research related functions.
^ Amounts do not include temporary employees.
# Staffing level amounts in these areas were not provided by other state representatives and we were unable to identify an amount based on a review of the states' website.

Flakoll, Tim

From: NDLA, Intern 03 - Maurer, Molly
Sent: Friday, April 19, 2013 8:05 AM
To: Flakoll, Tim
Subject: Laura Glatt's response to 2032

See below.
Anything more you'd like me to ask her?

From: Glatt, Laura [mailto:laura.glatt@ndus.edu]
Sent: Friday, April 19, 2013 7:52 AM
To: NDLA, Intern 03 - Maurer, Molly
Cc: Shirvani, Hamid; Thursby, Randall; Smith, Gordy L.; Wahl, Jason M.
Subject: RE: conference committee on SB no. 2032

Ms. Maurer: Thank you for your inquiry. As you note, SB2032 related to the addition of new NDUS accountability measures, includes a related performance audit (section noted below). With regard to the NDUS, it is currently subject to many audits conducted by the State Auditor's Office (SAO). Regular audits include: financial statement audit, compliance/internal control audit, and federal audit. In addition, the SAO have completed periodic performance audits at the direction of the ND legislature. The SAO does not bill agencies for the cost of performance audits, as is required by SB2032. While the NDUS already pays for other audits, we do not have specific funding allocated or set aside for an added audit. Our ability to absorb such a cost would largely depend on the estimated cost of the audit, which would need to be determined by the SAO.

I do recognize that there is an added cost which would be more appropriately determined by the SAO, and added to their budget, as necessary. Please let me know if you need anything more. Laura

SECTION 2. PERFORMANCE AUDIT. During the 2013-14 interim, the state auditor shall examine the accountability and performance measures established for the North Dakota
university system to determine if they allow for a sufficient, objective, and systemic assessment of economies, efficiencies, and structural effectiveness.

From: NDLA, Intern 03 - Maurer, Molly [mailto:intern3@nd.gov]
Sent: Thursday, April 18, 2013 2:45 PM
To: Glatt, Laura
Subject: conference committee on SB no. 2032

Hello Ms. Glatt,

The conference committee is wondering if there are any funds available out of the office of the state auditor to assist campuses in funding an audit, should 2032 be passed? Also, are there any funds already allocated to campuses or any provisions for campus audits that you know of? The bill relates to a performance audit and comparing ND institutions to peer institutions.
Basically, the committee is wondering how campuses would pay for a performance audit, should this bill pass.

Thank you!

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PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2032

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to the falsification of data; to amend and reenact section 15-10-14.2 of the North Dakota Century Code, relating to required reports by the North Dakota university system; to provide a penalty; and to provide for legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-10-14.2 of the North Dakota Century Code is amended and reenacted as follows:

15-10-14.2. Higher education system strategic plan - ~~Reports~~Annual report - Performance and accountability.

1. The state board of higher education shall ~~adopt a strategic planning process and~~ develop a strategic plan to define and prioritize ~~university system~~the goals and objectives of the North Dakota university system.

2. The board shall provide an annual performance and accountability report regarding the system's performance and progress toward the goals outlined in the ~~university system's strategic plan and accountability measures.~~

~~2.~~ ~~The state board of higher education shall report to the legislative assembly during each regular legislative session regarding the status of higher education in this state~~strategic plan. The report must include:

   a. The retention rates of full-time students between the fall and spring semesters at the institutions in which the students were initially enrolled;

   b. The retention rates of full-time students between the fall and spring semesters at any institution within the university system;

   c. The number of students awarded degrees, certificates, or diplomas at each institution during an academic year;

   d. Information regarding each institution's progress toward meeting its goals and the implementation steps and timelines outlined in the university system's strategic plan;

   e. The number of students that initially enroll at a two-year institution and obtain a certificate or diploma:

      (1) Within two years of enrollment; and

      (2) Within two to three years of enrollment;

13.0193.04003

    f.   The number of students that initially enroll at a four-year institution and obtain a degree:

       (1) Within four years of enrollment;

       (2) Within four to five years of enrollment; and

       (3) Within six years of enrollment;

    g.   The number of students that received a Pell grant and:

       (1) Initially enroll at a two-year institution and obtain a certificate or diploma within two years of enrollment;

       (2) Initially enroll at a two-year institution and obtain a certificate or diploma within two to three years of enrollment; or

       (3) Initially enroll at a four-year institution and obtain a degree within four to six years of enrollment; and

    h.   The number of students that did not receive a Pell grant and:

       (1) Initially enroll at a two-year institution and obtain a certificate or diploma within two years of enrollment;

       (2) Initially enroll at a two-year institution and obtain a certificate or diploma within two to three years of enrollment; or

       (3) Initially enroll at a four-year institution and obtain a degree within four to six years of enrollment.

3.   The report required by this section must categorize the required information by resident and nonresident students at each institution within the university system and must compare each institution's information to at least fifteen peer institutions from those identified during the legislative management's 2005-06 interim higher education funding and accountability study.

4.   a.   Individuals who are enrolled in personal enrichment courses for which credit is not offered are not eligible to be counted as students for purposes of this report.

    b.   Individuals who audit courses must be accounted for separately within the report.

SECTION 2. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Falsification of data - Penalty.

An individual is guilty of a class C felony if the individual intentionally falsifies or directs another to falsify information required by section 15-10-14.2.

SECTION 3. LEGISLATIVE INTENT. Because global economic competitiveness and productivity in the twenty-first century require access to a well-educated and skilled workforce, it is the intent of the legislative assembly that the North Dakota university system ensure that there is an array of opportunities within which residents of this state can acquire high-quality postsecondary degrees or

credentials and that within twelve years, at least sixty percent of all residents between the ages of 21 and 65 will have attained such degrees or credentials."

Renumber accordingly

13.0193.04003

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EDUCATION STATISTICS

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For Data Center Help Call 1-866-558-0658

Start over | Save session | Help | ▷ MAIN MENU

ExPT and DFR

Data Feedback Reports

1. Comparison Institution	2. Data Report	3. Comparison Group	4. Variables	5. Output

My Comparison Institution	- Minot State University	CHANGE
Data Report Type	- Create a Statistical Analysis Report	CHANGE
Comparison Group	- You have selected 10 institution(s)	CHANGE VIEW

VARIABLES

Percent of all students enrolled, by race/ethnicity and percent of students who are women: Fall 2011 ☑

Check all | Uncheck all

- ☐ American Indian or Alaska Native
- ☐ Asian
- ☐ Black or African American
- ☐ Hispanic/Latino
- ☐ Native Hawaiian or other Pacific Islander
- ☐ White
- ☐ Two or more races
- ☐ Race/ethnicity unknown
- ☐ Nonresident alien
- ☐ Women

Unduplicated 12-month headcount of all students and of undergraduate students (2010-11), total FTE enrollment (2010-11), and full- and part-time fall enrollment (Fall 2011) ☑

Check all | Uncheck all

- ☐ Unduplicated headcount - total
- ☐ Unduplicated headcount - undergraduates
- ☐ Total FTE enrollment
- ☐ Full-time fall enrollment
- ☐ Part-time fall enrollment

Enrollment, by student level: Fall 2011

Check all | Uncheck all

- ☐ Total
- ☐ Undergraduate
- ☐ First-time, degree/certificate-seeking undergraduate
- ☐ Transfer-in, degree/certificate-seeking undergraduate
- ☐ Continuing, degree/certificate-seeking undergraduate
- ☐ Nondegree/certificate-seeking undergraduate
- ☐ Graduate

Full-time enrollment, by student level: Fall 2011

Check all | Uncheck all

☐ Total full-time

☐ Full-time undergraduate

☐ Full-time, first-time, degree/certificate-seeking undergraduate

☐ Full-time, transfer-in, degree/certificate-seeking undergraduate

☐ Full-time, continuing, degree/certificate-seeking undergraduate

☐ Full-time, nondegree/certificate-seeking undergraduate

☐ Full-time graduate

Part-time enrollment, by student level: Fall 2011

Check all | Uncheck all

☐ Total part-time

☐ Part-time undergraduate

☐ Part-time, first-time, degree/certificate-seeking undergraduate

☐ Part-time, transfer-in, degree/certificate-seeking undergraduate

☐ Part-time, continuing, degree/certificate-seeking undergraduate

☐ Part-time, nondegree/certificate-seeking undergraduate

☐ Part-time graduate

Percent of all undergraduate students enrolled, by race/ethnicity and percent of students who are women: Fall 2011

Check all | Uncheck all

☐ American Indian or Alaska Native

☐ Asian

☐ Black or African American

☐ Hispanic/Latino

☐ Native Hawaiian or other Pacific Islander

☐ White

☐ Two or more races

☐ Race/ethnicity unknown

☐ Nonresident alien

☐ Women

Percent of all graduate students enrolled, by race/ethnicity and percent of students who are women: Fall 2011

Check all | Uncheck all

☐ American Indian or Alaska Native

☐ Asian

☐ Black or African American

☐ Hispanic/Latino

☐ Native Hawaiian or other Pacific Islander

☐ White

☐ Two or more races

☐ Race/ethnicity unknown

☐ Nonresident alien

☐ Women

Student-to-faculty ratio: Fall 2011

Check all | Uncheck all

☐ Student-to-faculty ratio

Number of applicants, admissions, and students enrolled full and part time: Fall 2011

Check all | Uncheck all

☐ Applicants

☐ Admissions

☐ Enrolled full time

☐ Enrolled part time

Percent of applicants admitted, and percent of admissions enrolled by full- and part-time status: Fall 2011

Check all | Uncheck all

☐ Admitted

☐ Enrolled full time

☐ Enrolled part time

Percentile SAT scores of first-time, degree/certificate-seeking undergraduate students: Fall 2011

Check all | Uncheck all

☐ 25th percentile Critical Reading

☐ 75th percentile Critical Reading

☐ 25th percentile Math

☐ 75th percentile Math

Percentile ACT scores of first-time, degree/certificate-seeking undergraduate students: Fall 2011

Check all | Uncheck all

☐ 25th percentile Composite

☐ 75th percentile Composite

☐ 25th percentile English

☐ 75th percentile English

☐ 25th percentile Math

☐ 75th percentile Math

Number of degrees awarded, by level: 2010-11

Check all | Uncheck all

☐ Doctor's - Research/ Scholarship

☐ Doctor's - Professional Practice

☐ Doctor's - Other

☐ Master's

☐ Bachelor's

☐ Associate's

Academic year tuition and required fees for full-time, first-time, degree/certificate-seeking undergraduates: 2008-09--2011-12

Check all | Uncheck all

☐ 2011-12

☐ 2010-11

  2009-10

☐
☐ 2008-09

☐ **Average net price of attendance for full-time, first-time, degree/certificate-seeking undergraduate students receiving grant or scholarship aid: 2008-09--2010-11** 📝

Check all | Uncheck all

☐ 2010-11

☐ 2009-10

☐ 2008-09

☐ **Percent of full-time, first-time degree/certificate-seeking undergraduate students who received grant or scholarship aid from the federal government, state/local government, or the institution, or loans, by type of aid: 2010-11** ☑

Check all | Uncheck all

☐ Any grant or scholarship aid

☐ Federal grant aid

☐ Pell grants

☐ State /local grant or scholarship aid

☐ Institutional grant or scholarship aid

☐ Any loans

☐ Federal loans

☐ Other loans

☐ **Average amounts of grant or scholarship aid from the federal government, state/local government, or the institution, or loans received, by full-time, first-time degree/certificate-seeking undergraduate students, by type of aid: 2010-11** ☑

Check all | Uncheck all

☐ Any grant or scholarship aid

☐ Federal grant aid

☐ Pell grants

☐ State /local grantor scholarship aid

☐ Institutional grant or scholarship aid

☐ Any loans

☐ Federal loans

☐ Other loans

☐ **Percent of all undergraduates receiving aid by type of aid: 2010-11** ☑

Check all | Uncheck all

☐ Any grant or scholarship aid

☐ Pell grants

☐ Federal loans

☐ **Average amount of aid received by all undergraduates, by type of aid: 2010-11** ☑

Check all | Uncheck all

☐ Any grant or scholarship aid

☐ Pell grants

☐ Federal loans

Graduation rate and transfer-out rate (2005 cohort); graduation rate cohort as a percent of total entering students and retention rates of first-time students (Fall 2011) ✉

Check all | Uncheck all

☐ Graduation rate

☐ Transfer-out rate

☐ Graduation rate cohort as a percent of total entering students

☐ Full-time retention rate

☐ Part-time retention rate

Graduation rates of full-time, first-time, degree/certificate-seeking undergraduates within 150% of normal time to program completion, by race/ethnicity: 2005 cohort

Check all | Uncheck all

☐ Graduation rate

☐ American Indian or Alaska Native

☐ Asian

☐ Black or African American

☐ Hispanic/Latino

☐ Native Hawaiian or other or Pacific Islander

☐ White

☐ Two or more races

☐ Race/ethnicity unknown

☐ Nonresident alien

Bachelor's degree graduation rates of full-time, first-time, degree/certificate-seeking undergraduates within 4 years, 6 years, and 8 years: 2003 cohort ✉

Check all | Uncheck all

☐ 4 years

☐ 6 years

☐ 8 years

Full-time equivalent staff, by assigned position: Fall 2011 ✉

Check all | Uncheck all

☐ Instruction, research, and public service

☐ Executive, administrative and managerial

☐ Other professional

☐ Non-professional

Average salaries of full-time instructional staff equated to 9-month contracts, by academic rank: Academic year 2011-12 ✉

Check all | Uncheck all

☐ All ranks

☐ Professor

☐ Associate professor

☐ Assistant professor

☐ Instructor

☐ Lecturer

☐ No academic rank

Percent distribution of core revenues, by source: Fiscal year 2011

Check all | Uncheck all

- [ ] Tuition and fees
- [ ] State appropriations
- [ ] Local appropriations
- [ ] Government grants and contracts
- [ ] Private gifts, grants, and contracts
- [ ] Investment return
- [ ] Other core revenues

Core revenues per FTE enrollment, by source: Fiscal year 2011

Check all | Uncheck all

- [ ] Tuition and fees
- [ ] State appropriations
- [ ] Local appropriations
- [ ] Government grants and contracts
- [ ] Private gifts, grants, and contracts
- [ ] Investment return
- [ ] Other core revenues

Percent distribution of core expenses, by function: Fiscal year 2011

Check all | Uncheck all

- [ ] Instruction
- [ ] Research
- [ ] Public service
- [ ] Academic support
- [ ] Institutional support
- [ ] Student services
- [ ] Other core expenses

Core expenses per FTE enrollment, by function: Fiscal year 2011

Check all | Uncheck all

- [ ] Instruction
- [ ] Research
- [ ] Public service
- [ ] Academic support
- [ ] Institutional support
- [ ] Student services
- [ ] Other core expenses

Expenses for salaries, wages, and benefits as a percent of total expenses, by function: Fiscal year 2011

Check all | Uncheck all

- [ ] Total core expenses
- [ ] Instruction
- [ ] Research
- [ ] Public service

Expand/collapse all   Check/Uncheck all
Select only variables printed in IPEDS DFRs.

When you have finished selecting variables from the tree, click Continue

[Continue]

☐ Academic support

☐ Institutional support

☐ Student services

☐ Other core expenses

Endowment assets (year end) per FTE enrollment: Fiscal year 2011

Check all | Uncheck all

☐ Endowment per FTE

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2032

That the House recede from its amendments as printed on pages 943 and 944 of the Senate Journal and pages 1086-1088 of the House Journal and that Engrossed Senate Bill No. 2032 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to the falsification of data; to amend and reenact section 15-10-14.2 of the North Dakota Century Code, relating to required reports by the North Dakota university system; to provide a penalty; and to provide for legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15-10-14.2 of the North Dakota Century Code is amended and reenacted as follows:

15-10-14.2. Higher education system strategic plan - ~~Reports~~Annual report - Performance and accountability.

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   b. The retention rates of full-time students between the fall and spring semesters at any institution within the university system;

   c. The number of students awarded degrees, certificates, or diplomas at each institution during an academic year;

   d. Information regarding each institution's progress toward meeting its goals and the implementation steps and timelines outlined in the university system's strategic plan;

   e. The number of students who initially enroll at a two-year institution and obtain a certificate or diploma;

13.0193.04004

      (1)   Within two years of enrollment; and

      (2)   Within two to three years of enrollment;

  f.   The number of students who initially enroll at a four-year institution and obtain a degree:

      (1)   Within four years of enrollment;

      (2)   Within four to five years of enrollment; and

      (3)   Within five to six years of enrollment; and

  g.   The number of students with and without Pell grants who:

      (1)   Initially enroll at a two-year institution and obtain a certificate or diploma within two years of enrollment;

      (2)   Initially enroll at a two-year institution and obtain a certificate or diploma within two to three years of enrollment; or

      (3)   Initially enroll at a four-year institution and obtain a degree within four to six years of enrollment.

3.   The report required by this section must categorize the required information by resident and nonresident students at each institution within the university system and must compare each institution's information to available data regarding peer institutions identified during the legislative management's 2005-06 interim higher education funding and accountability study. In compiling the comparative data, the state board of higher education shall utilize a system of interrelated surveys conducted annually by the national center for education statistics, United States department of education.

4.   a.   Individuals who are enrolled in personal enrichment courses for which credit is not offered are not eligible to be counted as students for purposes of this report.

     b.   Individuals who audit courses must be accounted for separately within the report.

      SECTION 2. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

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      SECTION 3. LEGISLATIVE INTENT. Because global economic competitiveness and productivity in the twenty-first century require access to a well-educated and skilled workforce, it is the intent of the legislative assembly that the North Dakota university system ensure that there is an array of opportunities within which residents of this state can acquire high-quality postsecondary degrees or credentials and that within twelve years, at least sixty percent of all residents between the ages of 21 and 65 will have attained such degrees or credentials."

Renumber accordingly

In response to a question from Senator Grindberg, Ms. Padilla said 21 percent of 2010 high school graduates were eligible to receive a scholarship while only 13.8 percent of 2011 high school graduates were eligible to receive a scholarship.

In response to a question from Representative Skarphol, Ms. Padilla said the academic scholarship program requires a student to receive a score of at least 24 on the ACT test in order to be eligible for a scholarship. However, she said, some students who received an ACT score of at least 24 were not eligible for a scholarship due to other eligibility criteria, including a minimum grade point average and the completion of certain high school courses.

Representative Kelsch said the average ACT test score for a state may not be comparable to other states because of different state requirements for who must take the test.

Ms. Padilla said 94 percent of 2011 North Dakota high school graduates took the ACT test and 3 percent took the WorkKeys examination.

North Dakota State University Admissions

Mr. Prakash Mathew, Vice President for Student Affairs, and Mr. Jobey Lichtblau, Director of Admissions, North Dakota State University, Fargo, presented information (Appendix K) regarding the student recruitment and admissions process at North Dakota State University (NDSU). Mr. Mathew said the university has reduced the amount of funds dedicated to marketing and advertising which is used to recruit new students. He said the university received fewer student admissions applications for the fall 2011 semester than in prior years.

Mr. Mathew presented the following schedule detailing the number of students that submitted a completed application and all required materials for undergraduate admission to NDSU for the past four years, including the number of applications accepted for admission and the number of applications that were denied admission:

NDSU Undergraduate Applications			
	Admitted	Denied	Percentage of Applications Denied
Fall 2008	5,524	164	2.88%
Fall 2009	5,596	172	2.98%
Fall 2010	5,502	215	3.76%
Fall 2011	5,416	296	5.18%

Mr. Mathew said some students that are admitted to NDSU choose not to enroll at the institution. He said during the fall of 2011, a total of 3,113 new freshman and transfer students enrolled at the university.

Mr. Lichtblau said NDSU has selective criteria to determine if a student is adequately prepared to be admitted to the university. He said a student generally needs to have achieved a certain high school grade point average and an ACT or a SAT score in order to

be admitted to the university but other factors may also be used in making a final decision.

In response to a question from Senator Robinson, Mr. Lichtblau said students can be conditionally admitted to NDSU if they do not meet certain admissions criteria. He said additional resources are provided for conditionally admitted students to ensure the success of the students.

The committee recessed at 4:45 p.m. and reconvened at 9:00 a.m. on Friday, November 4, 2011.

Higher Education Impact on State Workforce and Economic Needs

Dr. Bruce Vandal, Director, Postsecondary and Workforce Development Institute, Education Commission of the States, Denver, Colorado, presented information regarding the ability of higher education to meet the workforce and economic needs of the state (Appendix L). He said by the year 2018, 70 percent of jobs in North Dakota will require some postsecondary education. He said focusing on college completion rather than access may help address the needs of the state.

Dr. Vandal said the following seven strategies can be used to increase college completion rates and address the workforce and economic needs of the state:

1. Reduce the number of students entering college that need remedial education and decrease the amount of time that students spend in remedial education courses;
2. Encourage college completion for adults that previously completed college courses but do not have a degree;
3. Create structured, cohort-based programs that provide students with a consistent schedule and a specific program completion point;
4. Direct students into a program of study;
5. Develop career pathways through partnerships with employers to align student skills with workforce needs;
6. Use student incentives to encourage degree completion; and
7. Use technology-based comprehensive advising to ensure student success.

In response to a question from Representative Skarphol, Dr. Vandal said the legislature should set goals for the state. He said state resources need to be aligned to help achieve the goals. He said workforce data should be included in higher education initiatives to allow stakeholders to determine the effect of higher education initiatives on state workforce needs.

In response to a question from Senator Flakoll, Dr. Vandal said some states are providing assessment examinations to allow high school students to determine if they are ready for college. He said the examinations are normally administered during the student's junior year in high school to allow

In response to a question from Representative Williams, Ms. Effertz said a timeline has not yet been established for the task force to complete its work.

In response to a question from Representative Skarphol, Ms. Effertz said the proposed funding model will increase transparency so administrative costs at each institution are easily understood.

In response to a question from Representative Monson, Ms. Effertz said the proposed funding model will be based on a three-tiered system to address the unique needs of two-year institutions, baccalaureate institutions, and research institutions.

In response to a question from Representative Dosch, Ms. Effertz said the proposed funding model will address the amount of funding provided by the state compared to the amount of funding provided by students through tuition and fees.

Mr. Robert Vallie, student member, State Board of Higher Education, Fargo, provided comments to the committee regarding higher education performance funding methods. He said performance funding measures will allow higher education stakeholders to review the performance of higher education institutions. He said performance funding measures will also allow stakeholders to better understand the operations of higher education institutions.

In response to a question from Senator Flakoll, Mr. Vallie said higher education students feel retention and completion measures are important to determine student success. He said students are also concerned about developmental education issues, including differences in secondary education completion requirements and higher education admissions standards.

The committee recessed for lunch at 11:45 a.m. and reconvened at 1:00 p.m.

Higher Education Accountability Measures

The Legislative Council staff presented a memorandum entitled *Higher Education Accountability Measures*. The Legislative Council staff said North Dakota Century Code Section 15-10-14.2 requires the State Board of Higher Education to adopt a strategic planning process and to develop a strategic plan to define and prioritize University System goals and objectives. The board is to provide an annual performance and accountability report regarding the performance and progress in meeting the goals outlined in the strategic plan. The 2001, 2003, 2005, 2007, and 2009 Legislative Assemblies approved sections of legislative intent regarding certain financial and nonfinancial performance measures to be included in the report.

Mr. Goetz presented an overview of the University System's December *2011 Accountability Measures Report* (Appendix C). The following are selected measures from the report:

Measure	Status/Result
How well is North Dakota's workforce training system responding to the training needs of employers?	In fiscal year 2011, 1,547 businesses were served by TrainND, and 14,593 employees were trained.
What is the level of research expenditures in higher education?	Research expenditures grew by 22 percent between fiscal year 2007 and fiscal year 2011 with $207 million in research expenditures in fiscal year 2011.
Are graduates of North Dakota colleges and universities finding employment in the state?	Of the 7,884 University System graduates in 2009, 4,972 (63.1 percent) were employed by North Dakota employers one year after graduation.
Are University System students completing their degrees?	Based on adjusted graduation rates from all institutions, 46.9 percent of two-year institution students completed degrees in three years, and 64 percent four-year institution students completed degrees in six years.
How affordable are University System institutions to all families?	On average, 15.2 percent of the 2010 median North Dakota family income was needed to pay for college at four-year institutions after grant aid was deducted. This compares to a national average of 17.2 percent. On average, 9.3 percent of family income was needed to pay for college at two-year institutions.
How does the average student loan debt of North Dakota students compare to the national average and the state with the lowest debt per student?	In 2010-11, undergraduate and graduate students in North Dakota borrowed an average of $4,410 compared to the national average of $4,785. Maine had the lowest average at $4,136.
What proportion of the 25-year-old to 34-year-old population has an associate's degree or higher?	Approximately 50.5 percent of North Dakota's 25-year-old to 34-year-old population has an associate's degree or higher. The national average is 39 percent.
To what extent do North Dakota taxpayers provide financial support for University System students?	The average per capita general fund appropriation for the 2009-11 biennium was $813, an increase of 37 percent since the 2001-03 biennium.
How much state funding and tuition revenue is spent for each degree and certificate awarded by University System institutions?	The average cost per degree awarded by University System four-year institutions in 2009-10 was $60,897, which is above the national average of $56,683. The 2009-10 average cost per two-year institution degree or certificate awarded was $27,742, which is below the national average of $34,256.

In response to a question from Representative Skarphol, Ms. Aimee Copas, Academic Affairs Associate, North Dakota University System, said

#4

A policy brief from Lumina Foundation

A STRONGER NATION THROUGH HIGHER EDUCATION

NORTH DAKOTA

A stronger nation through higher education — and North Dakota's role in that effort

In North Dakota, 44.9 percent of the state's nearly 345,000 working-age adults (25-64 years old) hold at least a two-year degree, according to 2010 Census data. Attainment rates in North Dakota are essentially stable. The degree-attainment rate of young adults — 25-34 years old — is 50.1 percent, higher than that of the adult population as a whole.

In 2010, the percentage of Americans between the ages of 25 and 64 — working-age adults — who held a two- or four-year college degree was 38.3 percent. The rate is going up slowly but steadily. In 2009, the rate was 38.1 percent, and in 2008 it was 37.9 percent. For young adults, the best leading indicator of future higher education attainment, the rate is 39.3 percent — a full percentage point higher than for all working-age adults.

In both North Dakota and the U.S. as a whole, attainment rates must increase more rapidly to reach the Big Goal of 60 percent attainment by 2025. If the current rate of degree production continues, about 57 percent of North Dakota's adult population — nearly 163,000 people — will hold a college degree in 2025. To reach 60 percent, North Dakota will need to add more than 10,000 degrees to that total.

Help Wanted, a report by the Georgetown University Center on Education and the Workforce, explains why increasing higher education attainment is so important. According to the Center's analysis of occupation data and workforce trends, 70 percent of North Dakota's jobs will require postsecondary education by 2018. Between now and 2018, North Dakota will need to fill 120,000 vacancies resulting from job creation, worker retirements and other factors. Of these job vacancies, 80,000 will require postsecondary credentials. Clearly, North Dakota's economic future depends on producing more college graduates.
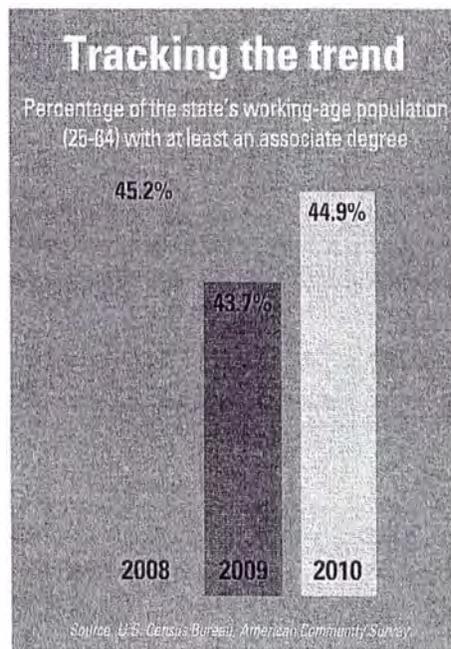
North Dakota can produce a lot more graduates by helping its residents who have gone to college but haven't yet earned a credential. In 2010, more than 86,000 North Dakota adults had gone to college but did not have either a two- or four-year college degree. They represent 25 percent of the state's adult population. Encouraging and helping these adults to complete degrees would go a long way to helping North Dakota reach the 60 percent goal.

To increase higher education attainment, states must work systematically to close achievement gaps. To help North Dakota develop and implement these strategies, this document features a detailed breakdown of the attainment rate in each county. The data show that, while increasing attainment is a statewide need, it is a particular challenge in rural counties. Assuring that all North Dakota communities have access to high-quality higher education is essential.
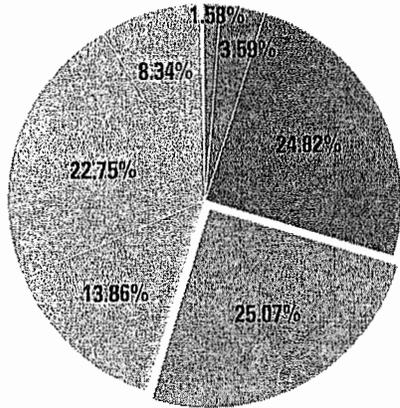
Finally, to reach the Big Goal, North Dakota must increase college success among the fast-growing groups that will account for a growing proportion of the state's population, including working adults, low-income and first-generation students, and students of color. Meeting the educational needs of these 21st century students will help build North Dakota's economy and ensure a bright future for the state.

More detailed data on higher education attainment for the nation and all 50 states — as well as information on effective strategies to increase the number of college graduates — is available on Lumina Foundation's website (www.luminafoundation.org).
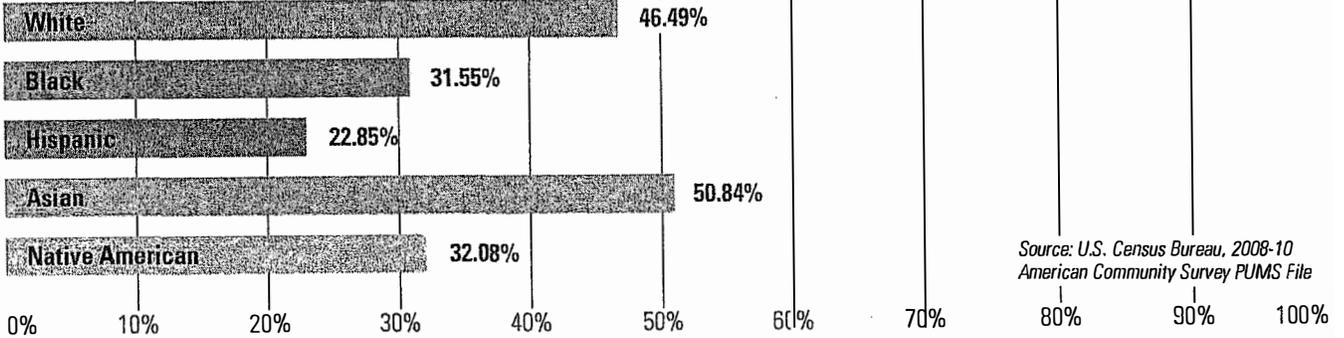
Tracking the trend

Percentage of the state's working-age population (25-64) with at least an associate degree

- 45.2% — 2008
- 43.7% — 2009
- 44.9% — 2010

Source: U.S. Census Bureau, American Community Survey

Levels of education for North Dakota residents, ages 25-64

Less than ninth grade	5,447	1.58%
Ninth to 12th grade, no diploma	12,375	3.59%
High school graduate (including equivalency)	85,612	24.82%
Some college, no degree	86,444	25.07%
Associate degree	47,788	13.86%
Bachelor's degree	78,445	22.75%
Graduate or professional degree	28,760	8.34%
TOTAL	344,871	100%

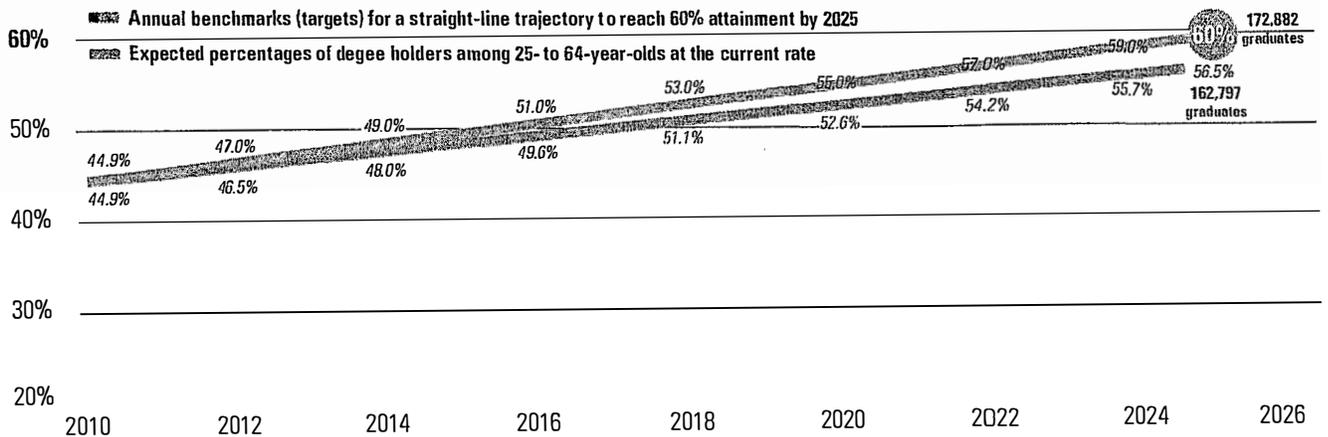Pie chart values: 1.58%, 3.59%, 8.34%, 24.82%, 22.75%, 25.07%, 13.86%

Source: U.S. Census Bureau, 2010 American Community Survey

Degree-attainment rates among North Dakota adults (ages 25-64), by population group

Population group	Rate
White	46.49%
Black	31.55%
Hispanic	22.85%
Asian	50.84%
Native American	32.08%

X-axis: 0%, 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90%, 100%

Source: U.S. Census Bureau, 2008-10 American Community Survey PUMS File

The path to 60% degree attainment in North Dakota

Annual benchmarks (targets) for a straight-line trajectory to reach 60% attainment by 2025

Expected percentages of degee holders among 25- to 64-year-olds at the current rate

Benchmark line values: 44.9%, 47.0%, 49.0%, 51.0%, 53.0%, 55.0%, 57.0%, 59.0%, 60% — 172,882 graduates

Expected line values: 44.9%, 46.5%, 48.0%, 49.6%, 51.1%, 52.6%, 54.2%, 55.7%, 56.5% — 162,797 graduates

X-axis: 2010, 2012, 2014, 2016, 2018, 2020, 2022, 2024, 2026

Y-axis: 20%, 30%, 40%, 50%, 60%

Source: U.S. Census Bureau, 2000 Census and 2010 American Community Survey

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2032

That the House recede from its amendments as printed on pages 943 and 944 of the Senate Journal and pages 1086-1088 of the House Journal and that Engrossed Senate Bill No. 2032 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 15-10-14.2 of the North Dakota Century Code, relating to required reports by the North Dakota university system.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

> **SECTION 1. AMENDMENT.** Section 15-10-14.2 of the North Dakota Century Code is amended and reenacted as follows:

> **15-10-14.2. Higher education system strategic plan - ~~Reports~~Annual report - Performance and accountability.**

> 1. The state board of higher education shall ~~adopt a strategic planning process and~~ develop a strategic plan to define and prioritize ~~university system~~the goals and objectives of the North Dakota university system.

> 2. The board shall provide an annual performance and accountability report regarding the system's performance and progress toward the goals outlined in the ~~university system's strategic plan and accountability measures.~~

> ~~2.~~ ~~The state board of higher education shall report to the legislative assembly during each regular legislative session regarding the status of higher education in this state~~strategic plan. The report must include:

>> a. The retention rates of full-time students between the fall and spring semesters at the institutions in which the students were initially enrolled;

>> b. The retention rates of full-time students between the fall and spring semesters at any institution within the university system;

>> c. The number of students awarded degrees, certificates, or diplomas at each institution during an academic year;

>> d. Information regarding each institution's progress toward meeting its goals and the implementation steps and timelines outlined in the university system's strategic plan;

>> e. The number of students who initially enroll at a two-year institution and obtain a certificate or diploma:

>>> (1) Within two years of enrollment; and

>>> (2) Within two to three years of enrollment;

  f. The number of students who initially enroll at a four-year institution and obtain a degree:

    (1) Within four years of enrollment;

    (2) Within four to five years of enrollment; and

    (3) Within five to six years of enrollment; and

  g. The number of students with and without Pell grants who:

    (1) Initially enroll at a two-year institution and obtain a certificate or diploma within two years of enrollment;

    (2) Initially enroll at a two-year institution and obtain a certificate or diploma within two to three years of enrollment; or

    (3) Initially enroll at a four-year institution and obtain a degree within four to six years of enrollment.

3. The report required by this section must categorize the required information with respect to students who graduated from a high school located within this state and students who graduated from a high school located outside this state.

4. The report required by this section must categorize the required information by resident and nonresident students at each institution within the university system and must compare each institution's information to available data regarding peer institutions identified during the legislative management's 2005-06 interim higher education funding and accountability study. In compiling the comparative data, the state board of higher education shall utilize a system of interrelated surveys conducted annually by the national center for education statistics, United States department of education.

5. a. Individuals who are enrolled in personal enrichment courses for which credit is not offered are not eligible to be counted as students for purposes of this report.

  b. Individuals who audit courses must be accounted for separately within the report."

Renumber accordingly