

Sixty-second  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2300

Introduced by

Senators Holmberg, Flakoll, Robinson

Representatives Glassheim, R. Kelsch, Wall

- 1 A BILL for an Act to create and enact four new sections to chapter 15-10 of the North Dakota  
2 Century Code, relating to the creation of the North Dakota commission on higher education  
3 funding; to provide an expiration date; and to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

- 5 **SECTION 1.** A new section to chapter 15-10 of the North Dakota Century Code is created  
6 and enacted as follows:

7 **North Dakota commission on higher education funding - Membership.**

8 The North Dakota commission on higher education funding consists of:

- 9 1. a. The governor or an individual designated by the governor, who shall serve as the  
10 chairman;  
11 b. The commissioner of higher education;  
12 c. Two members of the state board of higher education, selected by the state board;  
13 d. The vice president for finance and administration at North Dakota state university  
14 or the vice president's designee;  
15 e. The vice president for finance and operations at the university of North Dakota or  
16 the vice president's designee;  
17 f. One individual, appointed by the governor, who is employed as the business  
18 manager or the vice president for finance at a two-year institution under the  
19 control of the state board of higher education;  
20 g. One individual, appointed by the governor, who is employed as the business  
21 manager or the vice president for finance at any institution under the control of  
22 the state board of higher education other than an institution represented under  
23 subdivision d, e, or f;  
24 h. The chairman of the senate education committee or the chairman's designee;

- 1           i. The chairman of the house education committee or the chairman's designee;
- 2           j. The minority leader of the senate or the leader's designee;
- 3           k. One legislator appointed by the majority leader of the senate; and
- 4           l. One legislator appointed by the majority leader of the house of representatives;
- 5           and
- 6        2. The following nonvoting members:
- 7           a. One individual appointed by the chairman of the legislative management from a
- 8           list of three names submitted by the North Dakota council of college faculties;
- 9           and
- 10          b. One individual appointed by the chairman of the legislative management from a
- 11          list of three names submitted by the North Dakota student association.

12        **SECTION 2.** A new section to chapter 15-10 of the North Dakota Century Code is created  
13 and enacted as follows:

14        **North Dakota commission on higher education funding - Rules of operation and**  
15 **procedure.**

- 16        1. The North Dakota commission on higher education funding shall establish its own  
17        duties and rules of operation and procedure, including rules relating to appointments,  
18        terms of office, vacancies, quorums, and meetings, provided that the duties and the  
19        rules do not conflict with this Act.
- 20        2. Notwithstanding subsection 1, in order for a motion to be adopted by the commission,  
21        other than a motion pertaining solely to procedural matters:
- 22           a. The motion must be consented to by any seven of the thirteen commission  
23           members; and
- 24           b. Three of the five legislators serving on the commission must be on the prevailing  
25           side.

26        **SECTION 3.** A new section to chapter 15-10 of the North Dakota Century Code is created  
27 and enacted as follows:

**North Dakota commission on higher education funding - Compensation and reimbursement.**

1. Members of the North Dakota commission on higher education funding are entitled to reimbursement for actual and necessary expenses incurred in the same manner as state officials.
2. In addition, members of the legislative assembly who serve on the commission and the individual who is the owner or manager of a business located in this state are entitled to receive per diem compensation, in the amount provided for in section 54-03-20, if they are attending meetings or performing duties directed by the commission.
3. The commissioner of higher education shall use up to forty thousand dollars from moneys appropriated in the system governance line item in the appropriation bill for the North Dakota university system office, as approved by the legislative assembly, to provide the compensation and reimbursements required by this section.

**SECTION 4.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

**North Dakota commission on higher education funding - Duties - Reports.**

1. In order to ensure the continued delivery and financing of a quality system of higher education in this state, the North Dakota commission on higher education funding shall examine alternative methods for funding higher education, including any funding method that is developed by the state board of higher education or others and which will reward:
  - a. Specifically identified outcomes such as:
    - (1) Increases in the number of degrees awarded;
    - (2) Increases in the number of on-time graduations;
    - (3) The number of degrees awarded to low-income students; and
    - (4) Increases in the number of students retained beyond their first year; and
  - b. Any other outcome considered desirable by the commission.
2. The North Dakota commission on higher education funding may:
  - a. Examine a funding methodology that is based on the actual cost of delivering a quality education to the various cost categories of enrolled students, as

- 1                   determined by the commission, including online students, students whose  
2                   programs require laboratory access, and graduate students, as well as any other  
3                   categories of students;  
4            b.   Develop a system of weighted student costs, one of which could include the size  
5                   of the educating institution; and  
6            c.   Assume that historic spending levels are the initial indicator of the actual cost of  
7                   educating students.  
8        3.   The North Dakota commission on higher education funding shall provide reports to the  
9                   legislative management and the state board of higher education during the 2011-12  
10                   interim and the 2013-14 interim.

11        **SECTION 5. EXPIRATION DATE.** This Act is effective through December 31, 2014, and  
12   after that date is ineffective.

13        **SECTION 6. EMERGENCY.** This Act is declared to be an emergency measure.