



HB 1161
House Education Committee
February 17, 2025
Tim Mihalick, Chair State Board of Higher Education
timothy.mihalick@ndus.edu

Chair Heinert and members of the committee, thank you for the opportunity to speak on behalf of the State Board of Higher Education (SBHE) and the North Dakota University System concerning House Bill No. 1161.

The SBHE stands in opposition to House Bill No. 1161. While we understand and appreciate the legislative intent to ensure efficient and responsible management of state resources, we believe this bill infringes on the ability of the SBHE and the NDUS institutions to effectively manage the NDUS operations.

Several positive news stories have come out of your university system in just this last week. First, enrollment momentum continues in the Spring 2025 semester with the highest spring head count since 2016. Nearly all of the NDUS's 11 institutions reported increased enrollment and this is the third consecutive year of enrollment increases.

Additionally, Carnegie Research Classifications were released last week and both NDSU and UND received Research One classifications, the highest research classification possible. Just 187 institutions in the country are categorized as R1s.

HB 1161 would significantly and negatively impact how we manage our complex financial environment that includes the tuition funding formula, student fees, research dollars, and state appropriations. They are all part of the mix that combines to pay our faculty and staff salaries. While vacancies in academia are similar to other sectors in that there are retirements and resignations, higher education also differs significantly as it has to adjust to changes in academic programming, student enrollment or grant-funded projects. Maintaining the existing flexibility in fulfilling FTE positions and managing operations by having access to these funds allows the institutions to adapt as needed to mission critical initiatives and programs, while meeting accreditation standards, and ensuring educational excellence.

Turnover is typical and can offer institutions a chance for strategic realignment in faculty and staff roles. However, the restriction imposed by this bill could inadvertently delay hiring processes, affect the quality of education, and hinder institutions' ability to respond quickly to emergent educational and workforce needs.

Finally, we are also concerned that this bill would inhibit the SBHE's ability to perform its Constitutional and statutory responsibilities to efficiently & economically administer the State's institutions.



In conclusion, we ask for a Do Not Pass on HB1161 to allow our NDUS institutions to continue fulfilling their missions to provide quality education, student success, fulfillment of workforce needs and allow the operational flexibility required by our educational institutions.