

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

HIGHER EDUCATION COMMITTEE

Tuesday, December 4, 2007
Brynhild Haugland Room, State Capitol
Bismarck, North Dakota

Representative Ken Svedjan, Chairman, called the meeting to order at 8:30 a.m.

Members present: Representatives Ken Svedjan, Kathy Hawken, RaeAnn G. Kelsch, Matthew M. Klein, Bob Martinson, Jasper Schneider, Bob Skarphol, John D. Wall, Clark Williams; Senators Ray Holmberg, Karen K. Krebsbach, Elroy N. Lindaas, Dave Nething, Dave Oehlke, Tracy Potter, Larry J. Robinson

Member absent: Representative Lois Delmore

Others present: See attached [appendix](#)

It was moved by Senator Robinson, seconded by Senator Holmberg, and carried on a voice vote that the minutes of the September 26-27, 2007, meeting be approved as distributed.

HIGHER EDUCATION STUDY

Chairman Svedjan welcomed members of the State Board of Higher Education who joined the committee for a high-level discussion of higher education policy areas. He said committee and board members are encouraged to communicate openly and honestly, ask questions, and provide suggestions. He said committee and board members should consider the following points during the discussion of policy areas:

- Where is the state currently.
- Where would the state like to be.
- How does the state achieve its goal.
- Who is responsible for accomplishing the goal.

Chairman Svedjan said some policy areas may have a higher priority than others. He said the committee and the board should first address the highest priority areas.

Mr. John Q. Paulsen, President, State Board of Higher Education, thanked the Higher Education Committee for the invitation to participate in a discussion of higher education policy areas. He said the North Dakota University System is a vital link to a brighter future for the state of North Dakota. He said the commitment of funding provided by the Legislative Assembly demonstrates the recognition of the importance of the University System.

Mr. William G. Goetz, Chancellor, North Dakota University System, distributed an outline for discussion prepared by the University System staff. A copy of the information distributed is on file in the Legislative Council office. He said University System staff will be available to answer questions during the discussion. He said some policy areas are short term

in nature, but many are long term. He said it is important to consider the continuation of the Higher Education Roundtable because the roundtable is an important vehicle for engaging stakeholders.

In response to a question from Representative Skarphol, Chairman Svedjan said representatives of the private sector will be invited to participate in discussions at future committee meetings.

The Legislative Council staff presented a memorandum entitled [Higher Education Committee - Higher Education Policy Areas](#). The Legislative Council staff said the memorandum summarizes the higher education policy issues identified at the Higher Education Committee meeting on September 26-27, 2007, including information on previous and current initiatives relating to the issues and potential next steps. The Legislative Council staff said the document is intended to be a working document to facilitate committee discussion.

The Legislative Council staff distributed a report prepared by the Education Commission of the States entitled [P-16 Collaboration in the States](#). A copy of the report is on file in the Legislative Council office. The Legislative Council staff said the report, which was published in June 2006, summarizes P-16 efforts in the states, including information on the creation of the initiative, participation in the initiative, the primary mission of the initiative, and results of the initiative.

The Legislative Council staff presented a memorandum entitled [North Dakota University System Executive Compensation](#). The Legislative Council staff said the memorandum provides information regarding North Dakota University System executive compensation, including information on the current evaluation and compensation progress, current compensation levels, and recent actions of the State Board of Higher Education.

The Legislative Council staff distributed the following memorandums prepared at the request of the Higher Education Committee at its August 1, 2007, meeting:

- [Higher Education Initiatives - Other States' Efforts](#).
- [Remedial Education - Other States' Efforts](#).
- [Information Regarding Maryland's Higher Education System](#).

Chairman Svedjan facilitated a discussion of the following education policy areas, including information regarding previous and current initiatives relating to

the policy areas and discussion regarding appropriate next steps:

- Student preparation.
- Student retention and completion.
- Affordability.
- Accessibility.

Student Preparation

At the request of Chairman Svedjan, the Legislative Council staff said issues identified at the committee's September 26-27, 2007, meeting relating to student preparation include aligning high school curriculums with college entrance requirements, early testing of students for college readiness, transforming grade 12, providing counseling services to students in kindergarten through grade 12, and remedial education. The Legislative Council staff said potential next steps include:

- Receive information from representatives of the State Board of Higher Education and the Department of Public Instruction regarding the state's P-16 Initiative, including the status of the strategies identified by the P-16 Education Task Force and future plans.
- Receive information from representatives of the Department of Public Instruction regarding early testing of students for college readiness and initiatives relating to the transformation of grade 12.
- Receive information from representatives of the North Dakota University System regarding remedial education, including information as to who is being provided remedial courses--by subject, campus, and high school--and how North Dakota compares with other states.
- Committee discussion.

Representative Hawken suggested including prekindergarten in the discussions regarding student preparation.

Representative Wall said in regard to remedial education, higher education institutions should meet with kindergarten through grade 12 to clearly articulate what is expected of high school graduates.

In response to a question from Representative Svedjan, Mr. Michel Hillman, Vice Chancellor for Academic and Student Affairs, North Dakota University System, said the University System established Project Vital Link in November 2002 to attract more high school students to University System higher education institutions. Under the project, he said, campus recruitment efforts are supplemented by mailing information about the University System, including admission requirements, directly to high school students at their homes and by providing other information to students through their middle and high school counselors.

In response to a question from Representative Svedjan, Mr. Hillman said studies indicate that high school graduates who plan to directly enter the

workforce need the same level of education as high school graduates who plan to go to college.

In response to a question from Representative Skarphol, Mr. Hillman said the University System is working on providing feedback to high schools in North Dakota regarding the competency of students from those schools.

In response to a question from Representative Klein, Mr. Hillman said some states are forming partnerships between kindergarten through grade 12 and higher education to transform grade 12 and make grade 12 more meaningful for students.

Senator Holmberg said some students do not challenge themselves in grade 12 because they do not want to lower their grade point average.

In response to a question from Senator Potter, Mr. Hillman said North Dakota ranks high in the number of students entering college directly out of high school.

In response to a question from Senator Potter, Mr. Hillman said the largest amount of remedial education provided by the University System is in the areas of English and mathematics.

In response to a question from Representative Svedjan, Mr. Hillman said the State Board of Public School Education, State Board of Higher Education, Education Standards and Practices Board, and State Board for Career and Technical Education are working on aligning high school curriculums with college entrance requirements. He said the boards have considered implementing the ACT Educational Planning and Assessment System (EPAS) to assess student achievement in grades 8, 10, and 12. He said implementing the additional assessments would add to the multiple assessments already completed by kindergarten through grade 12. He said the state may consider participating in the American Diploma Project Network. He said the network is a coalition of 30 states dedicated to aligning kindergarten through grade 12 curriculum, standards, assessments, and accountability policies with the demands of higher education and the workforce. He said network states have committed to:

- Align high school standards and assessments with the knowledge and skills required for success after high school.
- Require all high school graduates to take challenging courses that actually prepare them for life after high school.
- Streamline the assessment system so that the tests students take in high school also can serve as readiness tests for college and work.
- Hold high schools accountable for graduating students who are ready for college or careers and hold higher education institutions accountable for students' success once enrolled.

In response to a question from Representative Svedjan, Mr. Hillman said in September 2005 the State Board of Public School Education, State Board of Higher Education, Education Standards and

Practices Board, and State Board for Career and Technical Education established a P-16 Education Task Force. He said the task force consisted of 38 members representing various levels of education, the business community, school boards, associations, state agencies, students, and parents. He said the task force agreed upon 6 goals and 26 strategies relating to improving education in North Dakota. He said the task force completed its work in September 2006 and was dissolved. He said it may be appropriate for the state to have a permanent P-16 committee.

Senator Robinson said the committee should review the area of academic advising in kindergarten through grade 12 and higher education.

In response to a question from Senator Robinson, Mr. Hillman said one of the strategies recommended by the P-16 Education Task Force was to increase the number of academic and career counselors to assist students and parents set and achieve appropriate career paths and goals.

Representative Kelsch said student preparation issues are being studied by the interim Education Committee and the Governor's Commission on Education Improvement. She said the goals and strategies developed by the P-16 Education Task Force are appropriate, but she said the task force was too large and it did not have clear direction. She said P-16 initiatives in other states have not been successful largely because of the lack of governance. She said it is important for kindergarten through grade 12 and higher education to collaborate and implement a data system capable of tracking students from kindergarten through grade 12 to higher education and the workforce.

In response to a question from Representative Skarphol, Mr. Hillman said North Dakota should consider implementing an education alignment commission. He said the American Diploma Project Network is being discussed with the education boards and the Governor's office.

In response to a question from Representative Skarphol, Mr. Hillman said states participating in the American Diploma Project Network do not necessarily offer multiple diplomas. He said the P-16 Education Task Force discussed the possibility of offering multiple diplomas but chose not to recommend it.

In response to a question from Representative Svedjan, Mr. Hillman said the recommendations of the P-16 Education Task Force were released in September 2006 which was too late for related costs to be included in agency budget requests for the 2007-09 biennium. He said there is general agreement on the task force recommendations.

Representative Martinson said the committee and the board need to start discussing solutions to the problems instead of the problems. He said the committee could consider establishing a Department of Education with a chancellor for kindergarten through grade 12 and a chancellor for higher education.

Representative Hawken said North Dakota works on education reform in pieces. She said there needs to be an overall plan for education in the state.

Mr. Goetz said the committee and the board should consider improvements to the academic and career counseling efforts of kindergarten through grade 12 and higher education and whether the state needs to establish a permanent P-16 or P-20 committee.

Representative Skarphol said there are differences in how higher education is addressed by the State Board of Higher Education and the Legislative Assembly. He said members of the Legislative Assembly like to be presented facts and complete analyses of the issues. He said the Legislative Assembly did not followup properly on the Higher Education Roundtable.

Senator Oehlke said there appears to be territorial issues between kindergarten through grade 12 and higher education. He said the two entities need to be team players and keep the best interests of the students in mind.

Senator Robinson said in a state with 11 higher education institutions and a declining population, enrollment management is extremely important. He said the University System's current funding model may not be appropriate for the current environment. He said academic advising and the tracking of students from kindergarten through grade 12 to higher education and the workforce are also important issues.

Mr. Jon Backes, member, State Board of Higher Education, said the state needs to improve the counseling efforts in kindergarten through grade 12 and higher education. He said the state also needs to encourage parents to discuss educational and career opportunities with their children.

Representative Schneider said the committee needs to focus on the best interests of students. He said the committee should receive comments from students regarding higher education policy issues.

Chairman Svedjan provided the following summary points regarding the discussion of student preparation:

- Implement a statewide data system to track students from kindergarten through grade 12 to higher education and the workforce.
- Consider establishing an education alignment commission.
- Consider establishing a Department of Education.
- Consider establishing a higher education standing committee in the Legislative Assembly.
- Improve the counseling and advising efforts in kindergarten through grade 12 and higher education.
- Consider establishing a permanent P-16 or P-20 committee.
- Ensure that information is shared between all educational entities.

Senator Robinson said the state needs to implement an aggressive enrollment management plan.

Chairman Svedjan said the committee can discuss the need to implement an aggressive enrollment management plan.

In response to a question from Representative Hawken, Senator Robinson said enrollment management is the strategy used to shape enrollment of higher education institutions and meet established goals.

In response to a question from Ms. Pamela J. Kostelecky, member, State Board of Higher Education, the University System staff distributed a summary of the Higher Education Roundtable process. A copy of the summary distributed is on file in the Legislative Council office.

In response to a question from Ms. Kostelecky, Representative Martinson said there have been no serious discussions regarding higher education since the initial meetings of the Higher Education Roundtable. He said the committee may want to consider having serious discussions with the appropriate stakeholders.

Representative Hawken said the Higher Education Roundtable has allowed the higher education institutions to be more entrepreneurial. She said the Higher Education Roundtable may need to be revisited.

Senator Holmberg said the Higher Education Roundtable has had support of the majority of the Legislative Assembly since its inception; however, the roundtable is sometimes used as a reason why the Legislative Assembly cannot make adjustments.

Senator Lindaas said one of the strengths of the Higher Education Roundtable was the involvement of the private sector. He suggested a revival of the Higher Education Roundtable.

Chairman Svedjan said the committee can consider a revival of the Higher Education Roundtable.

Student Retention and Completion

At the request of Chairman Svedjan, the Legislative Council staff said issues identified at the committee's September 26-27, 2007, meeting relating to student retention and completion include ranking lowest in the region in student retention from the first to second year, ranking 35th in the nation in six-year bachelor's degree graduation rates, and ranking 49th in the nation in the migration of college graduates aged 22 to 64. The Legislative Council staff said potential next steps include:

- Receive a status report from representatives of the University System regarding the University System's action steps for fiscal year 2008 relating to student retention and completion.
- Receive information from students regarding the reasons why students are dropping out after the first and second years of college and what

the state can do to assist with retention and completion.

- Committee discussion.

In response to a question from Senator Holmberg, Mr. Hillman said the state of Indiana recently completed a study regarding student completion. He said the study resulted in several recommendations for state-level and campus-level efforts. He distributed a copy of a working paper associated with the study, a copy of which is on file in the Legislative Council office.

Mr. Richie Smith, Vice President, State Board of Higher Education, said today's students are different from students in the past. He said today's students take longer to complete college.

Representative Skarphol said for every 100 ninth grade students in North Dakota:

- 83 students graduate from high school four years later.
- 57 students immediately enter college.
- 41 students are still enrolled in their second year.
- 25 students graduate with either an associate's degree within three years or a bachelor's degree within six years.

Representative Skarphol said these education figures for the state are higher than national averages but are below the top performing state.

In response to a question from Representative Svedjan, Ms. Julie Schepp, Academic Affairs Associate and Director of Research, North Dakota University System, said students who left University System institutions during the fall 2005, spring 2006, and fall 2006 semesters were asked to complete the ACT Evaluation and Survey Service survey. She said approximately 390 students completed the survey, of which 39.3 percent were freshmen. She said the survey is a national survey; however, there are some issues with the survey.

In response to a question from Representative Skarphol, Ms. Schepp said the state's anticipated longitudinal data system will not provide information on why students leave University System institutions.

Mr. Smith said the State College of Science is in the process of implementing a program to assist students who are not accepted into North Dakota State University. Under the program, he said, students not accepted into North Dakota State University will be enrolled in the State College of Science and provided a path to enable the student to reapply for admission into the university. He said the college anticipates the program will be in place for the fall 2008 semester.

In response to a question from Representative Williams, Mr. Hillman said according to a University System study completed a few years ago, there is no overwhelming difference in the preparation of students who attend larger schools compared to students who attend smaller schools.

In response to a question from Representative Williams, Mr. Hillman said the University System has

not completed a recent analysis regarding the level of out-of-state student preparation.

In response to a question from Representative Williams, Mr. Hillman said there is no national definition of remedial education.

Senator Potter said he is concerned with the number of students leaving higher education institutions because tuition and fee levels are too high. He said this is an area the committee can address.

Ms. Kostelecky said she believes in challenging students in kindergarten through grade 12; however, it is difficult to find quality teachers for rural schools.

In response to a question from Representative Skarphol, Mr. Hillman said the University System is trying to address the needs of older-than-average students across the state; however, it is difficult to address the needs in some areas of the state. He said one of the University System's action steps relating to the State Board of Higher Education's objectives for fiscal year 2008 is to explore costs, benefits, and challenges of higher education centers. He said higher education centers could assist in addressing the needs of these students.

In response to a question from Representative Skarphol, Dr. Larry Skogen, President, Bismarck State College, said it is difficult to provide training in rural areas where only one or two individuals are interested in receiving the training. He said the college is working on establishing creative ways to provide education and training.

In regard to student retention and completion, Representative Skarphol said North Dakota may want to consider implementing a funding model for higher education based on completed degrees. He said this type of model could provide incentives to students to complete their degree programs on time.

The committee recessed for lunch at 12:05 p.m. and reconvened at 1:00 p.m.

In response to a question from Representative Svedjan, Representative Skarphol said the 2007 Legislative Assembly established a Statewide Longitudinal Data System Committee responsible for developing a proposal and budget for a statewide longitudinal data system to track students from kindergarten through grade 12 to higher education and the workforce.

In response to a question from Senator Robinson, Mr. Hillman said the University System does not track the number of hours worked by students.

Chairman Svedjan provided the following summary points regarding the discussion of student retention and completion:

- Consider challenging students to a greater degree in kindergarten through grade 12.
- Consider ways to attract qualified teachers for kindergarten through grade 12.
- Consider establishing higher education centers in the state.
- Consider implementing a new funding formula for higher education based on student completion.

Mr. Grant Shaft, member, State Board of Higher Education, said the state may want to consider having college faculty teach some grade 12 courses.

Representative Kelsch said some states are considering implementing funding models for higher education that encourage institutions to increase student retention.

Representative Martinson said some states are considering offering students a four-year fixed tuition rate.

Representative Wall said the funding formula for higher education should consider the costs necessary to provide for the program. He said career and technical programs are high-cost programs.

Affordability

At the request of Chairman Svedjan, the Legislative Council staff said issues identified at the committee's September 26-27, 2007, meeting relating to affordability include level of tuition waiver activity and likelihood that the lack of adequate financial aid may require students to quit their education or move out of state for higher-paying jobs. The Legislative Council staff said potential next steps include:

- Receive information from representatives of the University System regarding tuition waiver activity, including the number of tuition waivers granted by institutions, the amount of tuition waivers granted by institutions, the amount of tuition waived, and the reasons for the tuition waivers.
- Receive information from representatives of the University System regarding the University System's action step for fiscal year 2008 relating to affordability.
- Receive information from representatives of the University System regarding North Dakota's financial assistance programs.
- Receive information from students regarding affordability.
- Committee discussion.

In response to a question from Representative Skarphol, Mr. Goetz said the University System completed a study of tuition waivers in 2006. He said the University System will provide a copy of the study's final report to members of the committee.

In response to a question from Representative Skarphol, Ms. Laura Glatt, Vice Chancellor for Administrative Affairs, North Dakota University System, said the University System grants approximately \$23 million per year in tuition waivers.

In response to a question from Representative Skarphol, Ms. Glatt said the State Board of Higher Education annually reviews the financial stability of each higher education institution, including its tuition waiver policies.

In response to a question from Senator Potter, Ms. Glatt said a majority of the tuition waivers granted are for teaching assistants and graduate assistants.

In response to a question from Representative Svedjan, Ms. Peggy Wipf, Director of Financial Aid and Federal Relations Coordinator, North Dakota University System, said federal financial aid available to students includes a federal Pell grant, federal Perkins loan, federal subsidized Stafford loan, and workstudy. She said state financial aid programs include the state grant program, scholars program, and Native American scholarship program.

In response to a question from Representative Svedjan, Ms. Wipf said there may be gaps in financial aid for day care expenses and students with poor credit ratings.

In response to a question from Mr. Backes, Ms. Wipf said North Dakota ranks low in the amount of state financial aid provided to students.

In response to a question from Representative Skarphol, Ms. Glatt said North Dakota ranks high in the amount of higher education appropriations per capita but the state ranks low in the amount of higher education appropriations per student.

In response to a question from Representative Skarphol, Ms. Wipf said Congress is in the process of increasing the federal Pell grant award.

Senator Nething said the cost of higher education has been increasing faster than the federal Pell grant award.

Senator Robinson said the cost of higher education has also been rising faster than the amount of scholarships provided by the higher education institutions.

Representative Skarphol said it is difficult to understand why the cost of higher education escalates faster than other state government costs.

In response to a question from Representative Skarphol, Ms. Glatt said the consumer price index is based on prices paid for food, clothing, shelter, transportation, and other goods and services that people buy for day-to-day living. She said the higher education price index (HEPI) measures the effects of inflation on the current operations of higher education institutions. She said the University System can provide the committee with more information regarding the HEPI. She said a majority of higher education costs are salaries and wages, utilities, and technology.

In response to a question from Representative Svedjan, Ms. Glatt said in the *Measuring Up 2006* report North Dakota received an "F" in the area of affordability in large part because of the small amount of financial aid provided by the state.

In response to a question from Mr. Paulsen, Ms. Glatt said tuition and fees for the 2005-06 school year at the University of North Dakota, North Dakota State University, and Minot State University were less than their regional counterparts. She said the average rates at the other University System four-year institutions were about the same as their regional counterparts, and the average two-year college rate was more than the regional average.

In response to a question from Representative Schneider, Ms. Glatt said the State Board of Higher Education has directed the University System office to complete a study of student financial aid.

Chairman Svedjan provided the following summary points regarding the discussion of affordability:

- Review potential gaps in the availability of financial aid.
- Consider providing increases in funding for state financial aid programs.
- Review what drives the cost of higher education.

Mr. Goetz said the state needs to consider the financial aid needs of nontraditional students.

Senator Nething said the state needs to focus on need-based financial aid rather than merit-based financial aid.

Accessibility

At the request of Chairman Svedjan, the Legislative Council staff said the issue identified at the committee's September 26-27, 2007, meeting relating to accessibility was delivery of education programs where the needs are. The Legislative Council staff said potential next steps include:

- Receive information from representatives of the University System regarding the University System's action step for fiscal year 2008 relating to accessibility.
- Committee discussion.

In response to a question from Senator Holmberg, Mr. Hillman said the University System tracks distance education by degree credit and non-degree credit. He said the University System can provide the committee with a copy of the *2007 Fall Enrollment Report*.

Senator Potter said it is important for students in the Fargo and Grand Forks areas to have access to two-year programs.

In response to a question from Representative Svedjan, Mr. Hillman said the University System is studying the concept of higher education centers, including a review of the higher education centers established in Rochester, Minnesota, and Sioux Falls, South Dakota.

In response to a question from Representative Svedjan, Mr. Hillman said the University System is analyzing student transfer data and exploring additional articulation and transfer initiatives with other states.

Representative Kelsch said she has received fewer complaints regarding the transfer of credits within the University System. She said it is important for the University System to accommodate North Dakota students first.

In response to a question from Senator Robinson, Mr. Hillman said there are programs in the University System with capped enrollments and waiting lists.

In response to a question from Representative Svedjan, Mr. Hillman said the University System is

participating in the Midwestern Higher Education Compact (MHEC) e-Transcript Initiative.

Chairman Svedjan provided the following summary points regarding the discussion of accessibility:

- Consider the University System's study of higher education centers.
- Consider the University System's adult learners study.
- Consider funding for increased bandwidth demand for the delivery of programs.
- Consider funding for the MHEC e-Transcript Initiative to ease the application and transfer process.

Chairman Svedjan said the remaining policy areas--appropriate higher education structure for the 21st century, a vision for and expectations of the North Dakota University System, higher education funding, and effectiveness and efficiency--will be discussed at the committee's next meeting.

COMMITTEE DISCUSSION AND STAFF DIRECTIVES

Representative Skarphol said North Dakota is unique because it is the only state that has more college graduates than jobs.

Representative Kelsch said there are faults in both the state's kindergarten through grade 12 system and higher education system. She said the University System needs to adequately prepare teachers for kindergarten through grade 12. She said the University System should consider working more collaboratively with kindergarten through grade 12 to provide more dual-credit or advanced placement courses. She said the University System needs to attract more students and ensure transferability among institutions.

Representative Skarphol asked representatives of the University System to provide the following information to the committee at its next meeting:

- The role of the State Board of Higher Education, chancellor, and presidents of higher education institutions.
- Information regarding the University System's internal audit function.
- The University System's expectations of the role of the Legislative Assembly.

- Definition of a full faculty workload, including a spreadsheet summarizing full-time faculty at each institution.
- Definition of an official release from full faculty workload, including the number of releases granted at each institution.
- The number of credit-hours taught at each institution.

Senator Nething suggested the Legislative Council staff revise the memorandum regarding higher education policy areas to include the recommendations for action included in the outline for discussion prepared by the University System. Chairman Svedjan asked that the Legislative Council staff include this information.

Chairman Svedjan said the board members will be invited to join the committee at its next meeting to discuss the remaining higher education policy areas. He said representatives of the private sector may also be invited to the meeting.

Representative Kelsch said representatives of the University System should provide the committee with information regarding Indiana's strategic plan for higher education, including steps to implement similar provisions in North Dakota.

Senator Robinson said the state must capitalize on the University System's strengths.

Chairman Svedjan said the committee may want to consider hiring a consultant to assist with its work.

Representative Kelsch suggested the committee consider receiving information regarding federal legislation associated with the Higher Education Act of 1965.

Chairman Svedjan thanked committee members and board members for their participation.

It was moved by Representative Skarphol, seconded by Representative Kelsch, and carried on a voice vote that the committee adjourn subject to the call of the chair. The meeting was adjourned at 4:15 p.m.

Roxanne Woeste
Senior Fiscal Analyst

ATTACH:1