

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

HIGHER EDUCATION COMMITTEE

Thursday, July 8, 2010

National Energy Center of Excellence, Bismarck State College
Bismarck, North Dakota

Representative Bob Skarphol, Chairman, called the meeting to order at 9:00 a.m. in Room 304 of the National Energy Center of Excellence.

Members present: Representatives Bob Skarphol, Lois Delmore, Mark A. Dosch, Dennis Johnson, Joe Kroeber, Bob Martinson, Darrell D. Nottestad, Ken Svedjan, Clark Williams; Senators Tim Flakoll, Tony S. Grindberg, Karen K. Krebsbach, Elroy N. Lindaas, David O'Connell, Larry J. Robinson, Tom Seymour

Members absent: Representatives Kathy Hawken, Brenda Heller, Nancy Johnson, RaeAnn G. Kelsch, Kenton Onstad; Senators John M. Andrist, Ray Holmberg, Dave Nething

Others present: Jim W. Smith, Legislative Council, Bismarck

See [Appendix A](#) for additional persons present.

It was moved by Senator Robinson, seconded by Senator Seymour, and carried on a voice vote that the minutes of the June 10-11, 2010, meeting be approved as distributed.

HIGHER EDUCATION STUDY

Dr. Larry Skogen, President, Bismarck State College, and Mr. Zachery Allen, National Energy Center of Excellence Project Manager, Bismarck State College, presented information regarding online education ([Appendix B](#)). Dr. Skogen said student enrollment in online courses is increasing at a faster rate than student enrollment in traditional classroom courses. He said recent studies report that online education methods may be more effective than traditional classroom teaching methods.

Mr. Allen said online courses may combine several learning methods, including animated lectures and simulations. He said some courses also allow students to remotely control laboratory equipment located on campus.

In response to a question from Representative Skarphol, Dr. Skogen said many students choose to take online courses due to the increased accessibility and flexibility of the courses.

In response to a question from Representative Delmore, Dr. Skogen said it is not possible to provide all courses online. He said some courses require students to use equipment and facilities that are available only on campus.

In response to a question from Senator Robinson, Dr. Michel G. Hillman, Vice Chancellor for Academic

and Student Affairs, North Dakota University System, said federal financial aid programs are administered the same for both online and traditional classroom courses.

In response to a question from Senator Flakoll, Mr. Allen said online courses allow a student to review course materials from a prior presentation if needed.

In response to a question from Representative Williams, Mr. Allen said developing an online course requires the cooperation of several faculty and staff members. He said the development of an online course requires the use of staff members that have knowledge of technology applications and graphic design.

Dr. Skogen said advisory committees are used to provide input when developing online courses.

In response to a question from Representative Skarphol, Dr. Skogen said online courses generate additional revenue that may be used at the discretion of the institution.

In response to a question from Senator Flakoll, Mr. Allen said online courses developed by Bismarck State College may be licensed for use by private businesses. He said the software is protected to prevent unauthorized users from replicating the programs.

The committee conducted a tour of the National Energy Center of Excellence building. While on the tour, the committee viewed several laboratories used for energy education programs. Following the tour, the committee reconvened in Room 335.

Ms. Debra Anderson, Director of Public Affairs and Marketing, North Dakota University System, presented information regarding the status of an advertising campaign program to increase awareness of two-year institutions and careers ([Appendix C](#)). She said two media campaigns were used from February to April 2010 that included television, radio, newspaper, and social networking website advertising. She said two additional media campaigns are scheduled for November through December 2010 and February through March 2011.

In response to a question from Representative Skarphol, Ms. Anderson said the advertising campaigns are used to present the advertisements during specific time periods.

In response to a question from Representative Skarphol, Ms. Anderson said research costs for the media campaign are expected to be 15 percent of the total program budget. She said fewer research costs

are expected in the 2011-13 biennium if the program is continued.

In response to a question from Senator Grindberg, Ms. Anderson said there are many factors that affect the enrollment of a college. She said the results of the media campaign will need to be evaluated to determine the effectiveness of the program.

Chairman Skarphol suggested the University System provide information to the 2011 Legislative Assembly regarding the use of funding for the media campaign program during the 2009-11 biennium and the expected use of funding for the program if it is continued during the 2011-13 biennium.

Representative Nottestad said the program to increase the awareness of two-year institutions and careers has had a positive effect on both students and parents.

Dr. Cynthia Lindquist Mala, President, Cankdeska Cikana Community College, Fort Totten, presented information regarding grants provided to tribal colleges for the enrollment of nonbeneficiary students ([Appendix D](#)). She said the completion rate of nonbeneficiary students at tribal colleges varies between each college. She said the overall graduation rate at each college ranges from 11 percent to 52 percent as reported by the Integrated Postsecondary Education Data System (IPEDS).

In response to a question from Senator Flakoll, Dr. Hillman said the two-year college completion rate data reported by IPEDS is based upon the number of students who graduate within three years of enrolling at a college. He said students who take more than three years to graduate or who transfer to another institution are considered a noncompleter for statistical purposes.

In response to a question from Representative Skarphol, Mr. Russell Mason Jr., President, Fort Berthold Community College, New Town, said the majority of funding provided to tribal colleges is from federal appropriations.

In response to a question from Representative Svedjan, Mr. Mason said there are several career opportunities for college graduates on the Fort Berthold Reservation due to the strong economic climate.

The committee recessed for lunch at 12:15 p.m. and reconvened at 1:00 p.m.

Dr. Jim Davis, President, Turtle Mountain Community College, Belcourt, presented information regarding the college ([Appendix E](#)). He said many students attend a tribal college due to the location of the college and the community culture. He said many tribal college graduates choose to further their education at other institutions.

Ms. Cathy McDonald, Director of Finance, North Dakota University System, presented information regarding the 2011-13 biennium budget request of the University System ([Appendix F](#)). She said the 2011-13 biennium budget request includes funding for 19.75 new full-time equivalent positions. In addition, she said, funding requested for equity distributions,

technology infrastructure, technology maintenance, and program enhancements may also be used for additional positions.

Ms. McDonald said the 2009-11 University System budget includes \$2,011,570 of funding from the student loan trust fund. She said additional funding from the general fund is being requested in the 2011-13 University System budget request due to a projected decrease in revenue generated by the student loan trust fund.

In response to a question from Representative Delmore, Ms. McDonald said the only new position being requested for the University System office for the 2011-13 biennium is a facilities project manager. She said the other new positions would be located at various institutions.

In response to a question from Representative Dosch, Mr. William G. Goetz, Chancellor, North Dakota University System, said academic programs at institutions are continuously evaluated, and some programs are eliminated.

In response to a question from Senator Grindberg, Ms. McDonald said equity funding may be used at the discretion of each institution. She said some campuses may use the equity funding to hire additional positions.

Senator Grindberg suggested the committee receive additional information regarding funding requested by the University System for employee retirement programs.

In response to a question from Senator Flakoll, Mr. Goetz said the University System office would not charge campuses for utilizing the services of the new facilities project manager position being requested.

Representative Skarphol said consideration may need to be given to the differences in the costs of building materials in different locations in the state. He said due to current demand for construction materials and services in Williston, building materials prices are significantly higher than in other parts of the state.

Ms. Robin Putnam, Director of Financial Reporting, North Dakota University System, presented information regarding the University System employee code of conduct ([Appendix G](#)). She said the employee code of conduct requires each new employee to review the code and sign a statement certifying that the employee has read and agrees to comply with the code. She said all benefited employees are required to certify annually that they have read and are in compliance with the code of conduct.

In response to a question from Representative Skarphol, Ms. Putnam said the current code of conduct used by the University System is more extensive than the previous code of conduct.

The Legislative Council staff distributed documents provided by the University of North Dakota Foundation ([Appendix H](#)) and the North Dakota State University Development Foundation ([Appendix I](#)). The documents detail the amount of financial support

provided by each foundation to its respective institution by major program area.

Representative Delmore suggested the committee receive information regarding the number of students that receive scholarships as a result of institution foundation support, including the number of academic and athletic scholarships provided by the institution foundations.

Dr. Hillman presented information regarding the missions of University System institutions ([Appendix J](#)). He said the mission of each institution includes the functional emphasis of the campus, the program emphasis of the campus, the primary clientele, and other campus roles. He said the State Board of Higher Education institutional missions task force has been reviewing the campus missions to determine if any changes are necessary.

Mr. Goetz provided an overview of the process used to set goals for the performance of institution presidents and the chancellor ([Appendix K](#)). He said goals, objectives, and expected outcomes are set for each institution president based on the mission of the institution and the University System's strategic plan.

In response to a question from Representative Skarphol, Mr. Goetz said the performance evaluation of each institution president considers the success of meeting the goals and objectives that have been set for the president.

Dr. Hillman presented information regarding the admissions standards of University System institutions ([Appendix L](#)). He said the State Board of Higher Education policy provides for minimum admissions requirements. He said additional admissions requirements are being used at North Dakota State University and the University of North Dakota.

In response to a question from Senator Robinson, Dr. Hillman said the State Board of Higher Education policy provides some exceptions for students not meeting minimum admissions requirements. He said four-year institutions may admit students who do not meet minimum admissions requirements on a provisional basis.

Dr. Marsha Krotseng, Vice Chancellor for Strategic Planning, North Dakota University System, presented information regarding the University System strategic plan ([Appendix M](#)). She said the strategic plan includes measurements to determine the success of meeting the goals and objectives of the plan.

In response to a question from Representative Skarphol, Dr. Krotseng said the strategic plan provides that goals be met by the year 2013. She said new goals may be added to the strategic plan that are to be met after the year 2013.

Representative Delmore expressed concern regarding the inability to monitor students for success. Dr. Krotseng said additional methods of monitoring student success may be needed.

Dr. Hillman presented information regarding the tenure process for higher education faculty members ([Appendix N](#)). He said tenure is awarded to faculty members by the State Board of Higher Education

based upon the recommendations of the appropriate institution president and the chancellor. He said there were 984 tenured faculty members in the University System during the 2009-10 academic year, which represented 29.6 percent of total instructional staff.

In response to a question from Representative Skarphol, Dr. Hillman said tenured faculty members receive annual performance reviews. He said tenured faculty members that do not remedy performance issues are subject to termination.

In response to a question from Representative Dosch, Dr. Hillman said tenure provides a faculty member with flexibility to teach within a discipline using teaching methods that are not dictated by a campus.

In response to a question from Representative Skarphol, Dr. Hillman said faculty tenure only applies to a specific academic program.

In response to a question from Senator Grindberg, Dr. Hillman said tenure has generally been associated with the research component of education. However, he said, tenure in North Dakota is also focused on the instructional component of education.

In response to a question from Representative Dosch, Dr. Hillman said he would provide the committee with information regarding the number of tenured faculty that have been terminated at each institution in the past 10 years.

Ms. Peggy Wipf, Director of Financial Aid, North Dakota University System, presented information regarding the state grant program and the science, technology, engineering, and mathematics (STEM) occupations student loan forgiveness program ([Appendix O](#)). She said the state grant program provides \$1,200 grants each year to eligible resident students that are pursuing an undergraduate degree at a public, private, or tribal college. She said grants were provided to 7,865 students during the 2009-10 academic year.

Ms. Wipf said the STEM occupations loan forgiveness program recipients receive \$1,500 per year in loan forgiveness for each year that they are employed in an approved STEM occupation in the state. She said a recipient may receive a maximum of \$6,000 in loan forgiveness. She said there were 595 program recipients during the 2009-10 academic year.

In response to a question from Representative Skarphol, Ms. Wipf said the STEM occupations loan forgiveness program gives priority to existing program recipients. She said new program applicants are eligible to receive funding after consideration is given to existing program recipients.

Ms. Wipf presented information regarding tuition reciprocity agreements with other states and organizations ([Appendix P](#)). She said the University System has tuition reciprocity agreements with the state of Minnesota, the Western Interstate Commission on Higher Education, and the Midwest Higher Education Compact. She said the University System also has agreements with the state of

Minnesota, Iowa State University, Kansas State University, and the Western Interstate Commission on Higher Education for the placement of North Dakota students in veterinary medicine, dentistry, and optometry programs.

In response to a question from Representative Skarphol, Ms. Wipf said the North Dakota tuition reciprocity agreement with Minnesota is based upon the intent that an equal number of students from each state will attend an institution in the other state. She said the agreement provides that a cash payment be made to the state that receives more students than it sends to the other state. She said the state of Minnesota is anticipated to provide a \$3.3 million cash payment to North Dakota for the 2009-10 academic year.

Chairman Skarphol said future committee meetings will focus on potential changes to higher education. He said it is important that everyone, including University System officials and institution representatives, participate in the discussions of potential changes to higher education.

Chairman Skarphol distributed a document with the following suggestions for potential changes to higher education:

1. Use a two-tiered or three-tiered system for higher education budgeting and strategic investment purposes.
2. Revise the role of the chancellor.
3. Set goals to increase the percentage of students that complete four-year programs in four years.
4. Centrally coordinate online courses and reward collaboration.

5. Update the Higher Education Roundtable to focus on the next 10 years.
6. Implement zero-based budgeting.
7. Increase the emphasis on fundraising for institution presidents.
8. Increase coordination between elementary, secondary, and postsecondary education.
9. Make entrepreneurial training a priority.
10. Provide special effort and recognition to technology transfer to the private sector and the creation of new business opportunities.

Chairman Skarphol asked the committee to review and be prepared to discuss the suggestions at future meetings. A copy of the document is on file in the Legislative Council office.

Representative Martinson suggested the potential changes be included as topics of discussions at the September 2010 Higher Education Roundtable meeting.

The meeting was adjourned at 3:30 p.m. subject to the call of the chair.

Brady A. Larson
Fiscal Analyst

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:16