NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

# HIGHER EDUCATION COMMITTEE

Tuesday, May 15, 2012
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Bob Skarphol, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Representatives Bob Skarphol, Thomas R. Beadle, Lois Delmore, Mark A. Dosch, Joe Heilman, Dennis Johnson, Nancy Johnson, RaeAnn G. Kelsch, Bob Martinson, David Monson, Mark Sanford, Clark Williams; Senators Tim Flakoll, Tony Grindberg, Ray Holmberg, Karen K. Krebsbach, Dave Nething, Larry Robinson, Mac Schneider, Ryan M. Taylor

**Member absent:** Representative Kathy Hawken

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

See Appendix A for additional persons present.

**It was moved by Representative Kelsch, seconded by Representative Delmore, and carried on a voice vote that the minutes of the April 17-18, 2012, committee meeting, as distributed, be amended to include additional detail of the discussion between Representative Martinson and Mr. Duaine Espegard, Vice President, State Board of Higher Education, Grand Forks, regarding the timeline of events at Dickinson State University relating to recent internal review reports.**

**It was moved by Senator Flakoll, seconded by Representative Delmore, and carried on a voice vote to approve the minutes, as amended, of the April 17-18, 2012, meeting.**

Chairman Skarphol announced the next committee meetings are tentatively scheduled for June 13, 2012, in Bismarck, and July 30-31, 2012, in Williston.

## HIGHER EDUCATION STUDY

### Statewide Longitudinal Data System

Ms. Lisa Feldner, Chief Information Officer, Information Technology Department, provided an overview (Appendix B) of the activities of the Statewide Longitudinal Data System Committee. She said the statewide longitudinal data system will be used to compile data from various sources for analysis. She said the overall project is currently 85 percent under budget but is 12 percent behind schedule.

In response to a question from Representative Delmore, Ms. Feldner said a student identification number is used to identify students in the statewide longitudinal data system. She said student Social Security numbers are not used in the system.

In response to a question from Senator Flakoll, Ms. Feldner said she will provide the committee with information regarding the ability to obtain information about North Dakota students that attend a high school in a contiguous state.

In response to a question from Senator Taylor, Ms. Feldner said the department is developing an electronic transcript program to automatically provide transcript information of students who move to North Dakota from another state. She said the ability to use electronic transcript records depends on the use of technology in other states.

Chairman Skarphol asked Ms. Feldner to provide the committee with additional information regarding the security of student data in the statewide longitudinal data system.

Ms. Maren Daley, Executive Director, Job Service North Dakota, provided comments regarding the statewide longitudinal data system. She said the system can be used to link a student's education and workforce data. She said there are several layers of security to protect student information stored in the system.

### North Dakota University System Information Technology

Mr. Randall Thursby, Chief Information Officer, North Dakota University System, Fargo, provided information (Appendix C) regarding the use of student unit records and University System information technology costs. He said a student unit record is an individual record for each student enrolled at an educational institution at a certain point in time. He said a student unit record can contain various demographic, enrollment, and academic information about a student. He said student unit records can be used to provide information for several purposes, including enrollment reporting, determining student retention and completion rates, monitoring student transfers to other institutions, and providing data for other agency reporting requirements.

In response to a question from Representative Skarphol, Mr. Thursby said he will provide the committee with information regarding the number of postsecondary students that do not provide the University System with a Social Security number when enrolling at an institution.

Mr. Thursby provided an overview of the budget for the University System's information technology

function. He said the system information technology services program received a $35.5 million general fund appropriation for the 2011-13 biennium and has a total biennial budget of $51.5 million. He said the program currently has 125.5 full-time equivalent (FTE) positions.

In response to a question from Representative Skarphol, Mr. Thursby said he will provide the committee with information regarding the future staffing needs of the system information technology services program.

## University System Chancellor Update

Chairman Skarphol called on Mr. William G. Goetz, Chancellor, North Dakota University System, to comment on the status of the selection of a new chancellor for the University System. Mr. Goetz said the State Board of Higher Education has selected Dr. Hamid Shirvani as the next chancellor of the University System. He said Dr. Shirvani will begin serving as chancellor on July 1, 2012.

Chairman Skarphol called on Dr. Shirvani for comments. Dr. Shirvani said the University System needs to focus on meeting the needs of the state. He said he looks forward to working with the Legislative Assembly to improve higher education in the state.

## Tuition Revenue Information

Ms. Laura Glatt, Vice Chancellor for Administrative Affairs, North Dakota University System, presented information (Appendix D) regarding tuition revenue collections at University System institutions. She said the net tuition revenue charged per FTE student ranged from $954 to $5,934 during the 2010-11 academic year. She said the amount of net tuition charged per student varies among institutions due to different tuition rates and tuition residency categories.

Senator Holmberg expressed concern regarding the lack of comparability among institutions in the amount of net tuition charged to students.

Ms. Glatt said it is important to balance the need for comparability among institutions with unique campus missions and needs.

Representative Dosch said Williston State College is charging significantly less tuition per credit-hour than other institutions. He said the institution may not be charging a proper level of tuition.

Ms. Glatt said the tuition rate at Williston State College is less than other institutions in part because tuition rates have not increased at two-year institutions for several years.

Ms. Kirsten Diederich, member, State Board of Higher Education, Fargo, said the State Board of Higher Education will be discussing comparability issues among campuses at future board meetings.

Dr. Shirvani said most higher education systems have consistency among similar types of institutions. He said he will work to address the consistency issues raised by the committee.

## North Dakota State University Student Success Tuition Model

Ms. Karin Hegstad, Director of Customer Account Services, North Dakota State University, Fargo, presented information (Appendix E) regarding the North Dakota State University (NDSU) student success tuition model. She said the first phase of the model was approved by the State Board of Higher Education. She said the model uses differentiated tuition rates for certain programs and combines tuition and program fees. She said the definition of a full-time student for tuition purposes is also being changed from 12 credit-hours per semester to 15 credit-hours. However, she said, a flat tuition rate will continue to be charged to any student taking 12 or more credit-hours per semester.

Ms. Hegstad said the second phase of the model has not yet been approved but will include a review of course and program fees to determine if the fees should be included as part of tuition. She said the second phase of the model will also reduce the nonresident tuition rate from 267 percent of the resident tuition rate to 150 percent of the resident tuition rate.

In response to a question from Senator Holmberg, Ms. Hegstad said a student that takes at least 12 credit-hours per semester is considered a full-time student for federal financial aid purposes.

In response to a question from Representative Delmore, Ms. Hegstad said students have been involved in discussions regarding the new tuition model.

In response to a question from Representative Heilman, Ms. Hegstad said course fees will continue to be charged at NDSU. She said only the program fees for students in engineering, pharmacy, architecture, and nursing programs will be combined into the differentiated tuition rate.

In response to a question from Representative Delmore, Ms. Hegstad said reducing the nonresident tuition rate at NDSU will have a minimal impact on net tuition revenue because most nonresident students receive a tuition waiver.

Representative Skarphol said a document prepared by the University System office indicates that reducing the nonresident tuition rate from 267 percent to 150 percent of the resident tuition rate would reduce tuition waivers by $6.1 million at NDSU and by $1.4 million at the University of North Dakota (UND).

## North Dakota/Minnesota Students

Dr. Michel Hillman, Vice Chancellor for Academic and Student Affairs, North Dakota University System, presented information (Appendix F) regarding University System graduates residing in contiguous states. He said the University System office is working to monitor the number of graduates of University System institutions that live in a contiguous state following graduation but work in North Dakota.

Ms. Glatt presented information (Appendix G) regarding Minnesota students attending North Dakota higher education institutions, including the major programs in which the students are enrolled. She also reviewed information on North Dakota residents attending Minnesota higher education institutions.

Senator Holmberg said many of the North Dakota students are attending Minnesota institutions along the border due to the close proximity of the Minnesota institution compared to the location of similar North Dakota institutions.

## Developmental Education

Dr. Hillman presented information (Appendix H) regarding the number of students enrolled in developmental education courses. He presented the following schedule detailing the enrollment in developmental education courses at each institution by academic area during the fall 2011 semester:

**Fall 2011 Developmental Education Course Enrollments**

| | Course Academic Area | | | | | |
|---|---|---|---|---|---|---|
| | Academic Skills Course | Education | English | Language | Mathematics | Total |
| Bismarck State College | 364 | 0 | 0 | 0 | 363 | 727 |
| Dakota College at Bottineau | 126 | 0 | 50 | 0 | 88 | 264 |
| Dickinson State University | 0 | 0 | 34 | 0 | 97 | 131 |
| Lake Region State College | 115 | 0 | 0 | 0 | 119 | 234 |
| Mayville State University | 0 | 11 | 54 | 0 | 54 | 119 |
| Minot State University | 0 | 0 | 0 | 0 | 213 | 213 |
| North Dakota State College of Science | 514 | 0 | 0 | 0 | 121 | 635 |
| North Dakota State University | 0 | 0 | 0 | 53 | 410 | 463 |
| University of North Dakota | 0 | 0 | 0 | 0 | 195 | 195 |
| Valley City State University | 0 | 0 | 0 | 0 | 0 | 0 |
| Williston State College | 91 | 0 | 0 | 0 | 91 | 182 |
| Total | 1,210 | 11 | 138 | 53 | 1,751 | 3,163 |

In response to a question from Senator Holmberg, Dr. Hillman said State Board of Higher Education policy will provide consistent requirements among institutions for students required to enroll in a developmental education course. He said there are currently different policies at each campus which affect the enrollment of students in developmental education courses.

In response to a question from Senator Robinson, Dr. Hillman said some four-year institutions have developed partnerships with two-year institutions to allow the two-year institution to provide developmental education courses to students at the four-year institution.

In response to a question from Senator Nething, Dr. Hillman said approximately 27 to 30 percent of incoming freshmen students require developmental education.

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

## Technical Education Programs and Dual-Credit Courses

Dr. Hillman presented information (Appendix I) regarding students enrolled in technical education courses that do not have a high school diploma and students enrolled in dual-credit courses. He said 255 general education development students have been admitted into technical education programs. He said some high school students may also be enrolled in technical education courses through a dual-credit program.

Dr. Hillman said a high school student must receive permission from the student's high school superintendent in order to enroll in a dual-credit course. He said instructors of dual-credit courses must meet the employment qualifications of an adjunct faculty member at the higher education institution.

Dr. Hillman presented the following schedule detailing the number of dual-credit students enrolled at each University System institution:

| Institution | Dual-Credit Enrollments (Fall 2011) |
|---|---|
| Bismarck State College | 481 |
| Dakota College at Bottineau | 100 |
| Dickinson State University | 294 |
| Lake Region State College | 678 |
| Mayville State University | 129 |
| Minot State University | 188 |
| North Dakota State College of Science | 141 |
| North Dakota State University | 0 |
| University of North Dakota | 0 |
| Valley City State University | 41 |
| Williston State College | 273 |
| Total | 2,325 |

In response to a question from Representative Kelsch, Dr. Larry Skogen, President, Bismarck State College, said many dual-credit students take courses on the campus of Bismarck State College. He said all dual-credit courses are college courses, and it is at the discretion of each high school whether a completed course is also accepted for high school credit.

Ms. Glatt presented information (Appendix J) regarding dual-credit course tuition and fees. She said tuition and fee rates vary by campus, and some

institutions provide partial tuition waivers for dual-credit course enrollments. She said tuition and fee amounts also vary based on course delivery method.

### University System Internal Audit Function

Mr. Bill Eggert, Internal Audit Director, North Dakota University System, presented information (Appendix K) regarding the University System internal audit function. He said the State Board of Higher Education is reviewing options to increase the number of University System internal audit staff. He said the chancellor is recommending three additional internal audit staff positions be added, including two system internal auditors and one system compliance officer.

In response to a question from Representative Kelsch, Mr. Eggert said UND currently has two internal auditors, and NDSU currently has one internal auditor. He said the proposed University System internal audit staffing changes do not affect the internal auditor positions at the institutions.

In response to a question from Representative Skarphol, Mr. Eggert said the proposed compliance officer position would focus on compliance with board policies, and the proposed internal audit positions would focus on financial areas.

### North Dakota Experimental Program to Stimulate Competitive Research Program

Dr. Philip Boudjouk, Vice President for Research, Creative Activities, and Technology Transfer, North Dakota State University, Fargo, and Dr. Phyllis Johnson, Vice President for Research and Economic Development, University of North Dakota, Grand Forks, presented information (Appendix L) regarding the North Dakota Experimental Program to Stimulate Competitive Research (EPSCoR). Dr. Boudjouk said the EPSCoR program was established by the National Science Foundation to expand and enhance research in states that have traditionally lacked strong research activities. He said North Dakota competes with other states for federal funding for the program.

Dr. Johnson said there are several examples of success involving the EPSCoR program. She said the program has a significant return on investment, and the research conducted benefits economic development in the state.

In response to a question from Representative Skarphol, Dr. Boudjouk said state matching funds are allocated to projects based on a research plan approved at the federal level.

In response to a question from Representative Dosch, Dr. Johnson said the return on investment for the EPSCoR program is measured primarily by the amount of federal funding received and licensing revenue and other income received from products resulting from the research.

Senator Grindberg said the EPSCoR program is important to smaller states by allowing them to compete for federal research funding.

Chairman Skarphol suggested Dr. Boudjouk and Dr. Johnson in future presentations provide additional practical examples of how the EPSCoR program has benefited the state.

### University System Graduate Programs

Dr. Hillman presented information (Appendix M) regarding University System graduate program enrollments and completions. He presented the following schedule detailing graduate program enrollment by institution:

| University System Graduate Program Headcount Enrollment (Fall 2011) | |
|---|---|
| **Institution** | **Enrollment** |
| Mayville State University | 21 |
| Minot State University | 309 |
| North Dakota State University | 2,229 |
| University of North Dakota | 2,723 |
| Valley City State University | 161 |
| Total | 5,443 |

Dr. Hillman said 6,635 graduate degrees were awarded at University System institutions for academic years 2007 through 2011. He said of the total degrees awarded, 4,595 were master's and specialist degrees, 1,373 were professional degrees, and 667 were doctoral degrees.

In response to a question from Representative Skarphol, Dr. Hillman said he will provide the committee with information regarding the number of graduate students taking courses on campus or online.

In response to a question from Representative Skarphol, Dr. Hillman said he will provide information at a future committee meeting regarding a report being prepared by the University System of an evaluation of the efficiency of graduate programs.

Chairman Skarphol asked Dr. Hillman to provide a document to the committee prioritizing graduate programs by institution. He said the document should allow the committee to review programs with low enrollment and options to consolidate programs.

Dr. Shirvani said a structured program review of graduate programs should be conducted every five years to seven years. He said the number of students enrolled in a program is not the only factor to consider when determining whether to continue a program.

## OTHER COMMMITTEE RESPONSIBILITIES

### Tribal College Assistance Grants

Mr. Nathan Stratton, Director of Financial Aid, North Dakota University System, presented a summary (Appendix N) of a report regarding tribal college assistance grants provided during the 2011-12 academic year. A copy of the full report required pursuant to North Dakota Century Code Section 15-70-05 is on file in the Legislative Council office.

Mr. Stratton said the Legislative Assembly in 2011 appropriated $1 million from the general fund for tribal college assistance grants to be distributed equally during each year of the 2011-13 biennium. He said

$3,977.46 of grant funding was awarded per FTE nonbeneficiary student during the 2011-12 academic year. He presented the following schedule detailing the allocation of grant funding during the 2011-12 academic year:

| Tribal College Assistance Grants 2011-12 Academic Year | | | |
|---|---|---|---|
| **Institution** | **Headcount of Nonbeneficiary Students** | **FTE Enrollment of Nonbeneficiary Students** | **Grant Funds Provided** |
| Cankdeska Cikana Community College | 16 | 11.75 | $46,735 |
| Fort Berthold Community College | 19 | 8.83 | 35,134 |
| Sitting Bull College | 5 | 5.92 | 23,534 |
| Turtle Mountain Community College | 38 | 26.75 | 106,397 |
| United Tribes Technical College | 91 | 72.46 | 288,200 |
| Total | 169 | 125.71 | $500,000 |

In response to a question from Representative Dosch, Mr. Stratton said he will provide the committee with information regarding the amount of grant funding awarded to each institution per nonbeneficiary student graduating.

## OTHER BUSINESS

Mr. Robert Vallie, student member, State Board of Higher Education, Fargo, thanked the committee for its work on higher education issues. He said students should be included in future discussions regarding ways to improve higher education.

Senator Grindberg suggested the committee receive additional information at a future meeting of the proposal to change the higher education governance structure presented at the March 2, 2012, committee meeting.

No further business appearing, Chairman Skarphol adjourned the meeting at 3:20 p.m.

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Brady A. Larson
Senior Fiscal Analyst

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Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:14