

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

HIGHER EDUCATION COMMITTEE

Monday and Tuesday, November 4-5, 2019
Room 3 and the Board Room, Williston Area Recreation Center
822 18th Street East
Williston, North Dakota

Representative Mark Sanford, Chairman, called the meeting to order at 1:00 p.m.

Members present: Representatives Mark Sanford, Larry Bellew, Karla Rose Hanson, Richard G. Holman, Dennis Johnson, Donald W. Longmuir, Bob Martinson, David Monson, Gary Paur, Mike Schatz; Senators Brad Bekkedahl, Karen K. Krebsbach, Erin Oban, Larry J. Robinson, Jim P. Roers

Members absent: Representatives Rick Becker, Matt Eidson; Senator Robert Erbele

Others present: Senator Ray Holmberg, Grand Forks, member of the Legislative Management
Representatives Patrick Hatlestad and David Richter, Williston
Mr. Brady A. Larson, Legislative Council, Bismarck
See [Appendix A](#) for additional persons present.

It was moved by Senator Robinson, seconded by Representative Bellew, and carried on a voice vote that the minutes of the August 19-20, 2019, meeting be approved as distributed.

Chairman Sanford announced the presentation by representatives of the Williston Research Extension Center (WREC) regarding research conducted at the branch research center would be made at the branch research center rather than at the Williston Area Recreation Center. He said the committee would tour the new Williston airport after the tour of the WREC.

Mr. Howard Klug, Mayor, Williston, welcomed the committee to the Williston Area Recreation Center.

Mr. Terry Olson, Executive Director, Williston State College Foundation, said the Williston State College (WSC) Foundation has mineral rights valued between \$30 million and \$50 million. He said the WSC Foundation established a scholarship program to pay 100 percent of tuition for high school graduates from counties in the northwest North Dakota and northeast Montana region. He said funding for the regional scholarship program is from oil royalties, donated funds, and matching challenge grants.

In response to a question from Representative Monson, Mr. Olson said the regional scholarship program will continue as long as the oil revenue continues. He said he believes WSC enrollment has increased as a result of the scholarship program. He said the increasing regional K-12 enrollment eventually may lead to the scholarship program being scaled back due to not being able to pay 100 percent of the tuition for the increased number of area graduates.

Dr. John Miller, President, Williston State College, presented information ([Appendix B](#)) regarding the college. He said the mission of the college is to provide accessible, affordable, life-changing, and lifelong educational pathways to residents of North Dakota, the Upper Plains, and beyond. He said the fall full-time equivalent (FTE) enrollment decreased from 806 FTE in 2018 to 783 FTE in 2019; however, the headcount enrollment increased from 1,164 students to 1,223 students. He said 74 percent of the students are from North Dakota.

Dr. Miller said faculty and staff retention has been a significant challenge for WSC. He said the average salary in Williams County is \$81,172 compared to the average staff salary at WSC of \$47,104. He said this disparity has contributed to 26 percent annual turnover between 2012 and 2018.

Dr. Miller said WSC has entered a public-private partnership to finance a \$6.9 million renovation of the nursing wing and music wing in Stevens Hall. He said the project is expected to be completed by October 2020.

In response to a question from Representative Hanson, Dr. Miller said WSC would need additional laboratory space to expand its nursing program on campus. He said WSC is working to expand the program, including the addition of students at Tioga and Watford City.

In response to a question from Representative Bellew, Dr. Miller said WSC nursing graduates are qualified to become registered nurses. He said North Dakota previously required registered nurses to have a 4-year degree, but the requirement was reduced to a 2-year degree to match the requirements of most other states.

In response to a question from Senator Oban, Dr. Miller said the largest percentage of enrollment growth in the last 5 years is from northeastern Montana.

In response to a question from Senator Bekkedahl, Dr. Miller said the WSC retention rate is approximately 55 percent. He said a large percentage of students graduate in 2 years due to the incentive of the regional scholarship program, which recipients are eligible to receive only in 4 consecutive semesters.

In response to a question from Representative Hanson, Dr. Miller said adjunct faculty are paid per credit-hour. He said an adjunct faculty member teaching a 3-credit class might receive \$2,400. He said certain full-time faculty also are receiving adjunct pay for teaching overload classes.

In response to a question from Representative Martinson, Dr. Miller said most faculty are on 9-month contracts and nursing faculty are on 10-month contracts.

In response to a question from Representative Holman, Dr. Miller said he has not compared WSC faculty salaries to Minot State University or regional K-12 salaries.

In response to a question from Senator Robinson, Dr. Miller said hiring new faculty and staff is difficult due to regional housing costs and other financial issues.

Mr. Kenley Nebeker, Regional Director for Technical Programs and Training, TrainND-Northwest, presented information ([Appendix C](#)) regarding WSC efforts to address regional workforce needs. He said WSC has used the \$700,000 appropriated for workforce development by the 2019 Legislative Assembly to hire instructors to expand the Watford City nursing program and to purchase equipment to improve the institution's welding lab. He said the state appropriated \$2 million from the general fund for the 2019-21 biennium for TrainND. He said of that amount, TrainND-Northwest will receive \$408,560.

In response to a question from Senator Holmberg, Mr. Nebeker said TrainND-Northwest could continue operating without the state funding. He said two of the regional TrainND programs likely would not be able to continue operating without state funding.

In response to a question from Senator Bekkedahl, Mr. Nebeker said TrainND-Northwest generates over 67 percent of the TrainND revenue in the state.

The committee traveled to WREC.

Mayor Klug welcomed the committee to WREC and announced the city would be donating \$250,000 from its Star Fund to WREC as matching funds for a seed cleaning plant.

Dr. Jerald Bergman, Director, Williston Research Extension Center, presented information ([Appendix D](#)) regarding research conducted at WREC. He said WREC collaborates with Montana State University's Eastern Agricultural Research Center (EARC) in Sidney, Montana to avoid duplication of efforts. He said a joint advisory board of WREC and EARC was formed in 2009 to assess the agricultural needs of the region. He said research conducted at WREC includes saline seep reclamation, pipeline reclamation, irrigation, crop breeding, plant pathology, and other areas.

Mr. Tyler Tjelde, Irrigation Scientist, Williston Research Extension Center, said the vision of the Nesson Valley Irrigation Research and Development Project is to advance irrigation practices, improve crop production within an irrigated system, and improve and enhance irrigation efficiency and the productivity of water.

Dr. Clair Keene, Extension Specialist, Williston Research Extension Center, said she works to increase public awareness of WREC and agricultural research through public speaking and tours.

The committee toured WREC and the Williston Basin International Airport.

The committee recessed at 5:30 p.m. and reconvened on Tuesday, November 5, 2019, at 8:00 a.m. at the Williston Area Recreation Center.

The committee toured the TrainND-Northwest facility and WSC, including the Williston Area Recreation Center, the nursing program in Stevens Hall, the diesel technology program, and the petroleum and automation technology program.

Ms. Tammy Dolan, Vice Chancellor for Administrative Affairs and Chief Financial Officer, North Dakota University System, presented information ([Appendix E](#)) regarding the higher education funding formula and the capital building fund program. She said Governor Jack Dalrymple initiated the creation of the higher education funding formula during the 2011-12 interim. She said representatives of North Dakota State University, the University of North Dakota, the North Dakota State College of Science, Minot State University, the Office of Management and Budget, and the Governor's office participated in the initiative to establish the funding formula. She said the goals of the formula were to improve transparency and equity of funding, equalize funding within tiers, and establish a cost-based funding model.

Ms. Dolan said the formula considers only successfully completed student credit-hours. She said the credits are multiplied by an instructional program factor to account for cost differences between programs and levels of instruction. She said those weighted credits are multiplied by either a credit completion factor or an institutional size factor to account for efficiencies of scale. She said that product is multiplied by a base funding amount to determine the state aid payment to which each institution is entitled.

Ms. Dolan said the capital building fund program is being reviewed by the University System and implementation challenges are being addressed with the Higher Education Funding Formula Review Committee.

In response to a question from Senator Bekkedahl, Ms. Dolan said the use of prior biennium credits to determine the budget under the formula may be an issue for schools with increasing enrollment or expanding programs.

In response to a question from Senator Roers, Ms. Dolan said the higher education funding formula uses actual prior biennium enrollment data rather than projected enrollment. She said the use of projections could result in an institution having to return money to the state if the actual enrollment is less than projected. She said the use of actual enrollment data also allows the campuses to plan ahead for funding changes.

Representative Martinson said he was disappointed in the delay in the funding formula due to the use of prior biennium data.

In response to a question from Representative Monson, Ms. Dolan said the national classification of instructional programs (CIP) code is used to categorize courses as part of the instructional program factor in the higher education funding formula.

In response to a question from Senator Robinson, Ms. Dolan said the University System has considered funding formulas used in other states as part of its review.

In response to a question from Senator Oban, Ms. Dolan said the cost of faculty salaries was considered in determining the instructional program factor.

In response to a question from Representative Martinson, Ms. Dolan said upper division credits receive double the weight of lower division credits due to several factors, including class size and instructor education level.

Representative Martinson commented regarding the limited number of students enrolled in each class at the 2-year institutions. He suggested reviewing the weighting of upper and lower division credits.

Chairman Sanford asked Ms. Dolan to present information at a future committee meeting regarding the source of funding for each institution.

In response to a question from Senator Roers, Ms. Dolan said the calculation for the institutional size factor includes dormitories and other nonclassroom space owned by the institution.

In response to a question from Senator Krebsbach, Ms. Dolan said rented space is not included in the institutional size factor calculation.

Representative Martinson suggested the Higher Education Funding Formula Review Committee reconsider the use of unused space and auxiliary enterprise space in the institutional size factor calculation.

Chairman Sanford commented on the capital building fund program and its potential to address facility needs. He said the committee would receive additional information at a future meeting regarding campus space utilization.

No further business appearing, Chairman Sanford adjourned the meeting at 12:05 p.m.

Alex J. Cronquist
Senior Fiscal Analyst

ATTACH:5