



HIGHER EDUCATION COMMITTEE

Thursday, August 22, 2024

Kenner Conference Room, Hofstad Ag Center, Lake Region State College, Devils Lake, North Dakota

Friday, August 23, 2024

Henry Family Ballroom, Memorial Union, University of North Dakota, Grand Forks, North Dakota

Representative Mark Sanford, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Mark Sanford, Landon Bahl, Claire Cory, Jay Fisher, Karla Rose Hanson, Matt Heilman, Dennis Johnson, Bob Martinson, David Richter, Mike Schatz, Cynthia Schreiber-Beck, Steve Swiontek; Senators Robert Erbele, Karen K. Krebsbach*, Curt Kreun, Jonathan Sickler, Ronald Sorvaag

Members absent: Representative Mike Nathe, Senator Sean Cleary

Others present: Representative Eric James Murphy, Grand Forks

Thomas Arnold*, University of North Dakota School of Medicine and Health Sciences Advisory Council; Mark Askelson, Eric Link, Art Malloy, University of North Dakota; Doug Darling, Lloyd Halvorson, Joann Kitchens, and Erin Wood, Lake Region State College; Mark Hagerott*, Lisa Johnson, Jerry Rostad, and Brenda Zastoupil, North Dakota University System; Tim Mihalick, State Board of Higher Education; and Mandi-Leigh Peterson* and Joshua Wynne*, University of North Dakota School of Medicine and Health Sciences;

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

*Attended remotely

It was moved by Representative Schreiber-Beck, seconded by Representative Heilman, and carried on a voice vote that the minutes of the June 13-14, 2024, meeting be approved as distributed.

Dr. Doug Darling, President, Lake Region State College, welcomed the committee to Lake Region State College (LRSC).

Mr. Lloyd Halvorson, Vice President for Academic and Student Affairs, Lake Region State College, presented information ([Appendix B](#)) regarding enrollment and academic programs at LRSC. He noted:

- Enrollment has decreased from 1,005 full-time equivalent (FTE) students in the fall 2018 semester to 858 FTE students in the fall 2023 semester.
- 71 percent of degree-seeking students at LRSC are pursuing a degree in a career and technical education (CTE) program.

Ms. Joann Kitchens, Vice President for Administrative Affairs, Lake Region State College, presented information ([Appendix C](#)) regarding campus finances and capital projects. She noted LRSC will be requesting \$2.5 million from the 2025 Legislative Assembly for parking, curb, and gutter repairs and \$3.2 million for roof restoration.

Ms. Erin Wood, Vice President for Advancement, Lake Region State College, presented information ([Appendix D](#)) regarding the LRSC Foundation and grants received by the college. She noted the LRSC Foundation's portfolio has grown from \$4.5 million in June 2013 to \$13.6 million in June 2024.

Dr. Darling presented an overview ([Appendix E](#)) of LRSC.

Ms. Lisa Johnson, Vice Chancellor for Academic and Student Affairs, North Dakota University System, presented information ([Appendix F](#)) regarding dual credit, including dual-credit funding in other states and the potential impacts of school choice and "money follows the student" educational funding. She noted North Dakota dual-credit students are charged at least \$89.43 per credit, South Dakota concurrent credit students are charged

\$40 per credit, Montana dual-enrollment students receive the first two courses free of charge, and Minnesota does not charge for college credit courses taken by high school students.

Ms. Johnson presented information ([Appendix G](#)) regarding dental assistant and dental hygienist programs, including costs and funding available for the establishment of new programs at Dakota College at Bottineau (DCB) and Bismarck State College (BSC). She noted DCB spent approximately \$7 million for physical infrastructure to start its dental programs, but BSC received a donated facility and equipment to start its programs.

Mr. Tim Mihalick, Chair, State Board of Higher Education, commented regarding the approval of dental programs at DCB and BSC.

The committee toured the LRSC campus, including the Hofstad Ag Center and the Bergstrom Tech Center.

The committee traveled to Emerado and toured Grand Sky, an uncrewed aircraft systems test site, recessed at 5:00 p.m., and reconvened at 8:30 a.m. at the University of North Dakota (UND).

Dr. Andrew Armacost, President, University of North Dakota, presented an overview ([Appendix H](#)) of UND. He noted headcount enrollment increased from 13,615 students in 2020 to 14,172 in 2023 and research expenditures have increased from \$112 million in 2020 to \$182 million in 2023.

Dr. Mark Askelson, Associate Vice President for Research - National Security, University of North Dakota, commented regarding the campus's research relationship with Grand Sky.

In response to a question a committee member, Dr. Armacost noted:

- The use of public-private partnerships for the new steam plant and student housing facilities has been cost-effective and a positive experience for the campus.
- The institution is budgeting for the maintenance of new facilities and is working to efficiently use land being vacated.

Dr. Eric Link, Provost and Vice President for Academic Affairs, University of North Dakota, commented regarding the newly established office of leadership development on campus.

Dr. Art Malloy, Vice President for Student Affairs, University of North Dakota, commented regarding the provision of leadership experiences to students.

Dr. Joshua Wynne, Dean, University of North Dakota School of Medicine and Health Sciences, presented information ([Appendix I](#)) regarding the School of Medicine and Health Sciences (SMHS). He noted SMHS has over 1,300 students and two-thirds of all physicians in the state volunteer as faculty members to assist in training the students.

Ms. Mandi-Leigh Peterson, Senior Research Analyst, Center for Rural Health, University of North Dakota School of Medicine and Health Sciences presented information ([Appendix J](#)) regarding the biennial report for health issues for the state. She noted the report is in production and will be released in December 2024.

Dr. Thomas Arnold, member, University of North Dakota School of Medicine and Health Sciences Advisory Council, presented information ([Appendix K](#)) regarding the SMHS Advisory Council. He noted the SMHS Advisory Council supports an addition to the SMHS building to include space for the nursing program and additional laboratory space.

Dr. Armacost presented an update ([Appendix L](#)) regarding the search for a new Dean of the University of North Dakota School of Medicine and Health Sciences and the goals and mission of the school. He noted a new Dean likely will be selected in September 2024.

Dr. Mark R. Hagerott, Chancellor, North Dakota University System, thanked the committee members for their support of the North Dakota University System.

Mr. Jerry Rostad, Vice Chancellor for Strategy and Strategic Engagement, North Dakota University System, presented information ([Appendix M](#)) regarding higher education trends.

Ms. Johnson presented information ([Appendix N](#)) regarding trends in enrollment. She noted higher education enrollment nationwide peaked in 2011.

Mr. Dave Krebsbach, Vice Chancellor for Administrative Affairs and Chief Financial Officer, North Dakota University System, presented information ([Appendix O](#)) regarding trends in tuition, fees, reserves, and financial aid.

In response to a question from a committee member, Ms. Brenda Zastoupil, Director of Financial Aid, North Dakota University System, noted she will provide additional information to the committee regarding the net cost of attendance paid by students.

Ms. Johnson presented information ([Appendix P](#)) regarding changes in academic programs offered by University System institutions.

Mr. Rostad presented information ([Appendix Q](#)) regarding Envision 2035.

Ms. Zastoupil presented information ([Appendix R](#)) regarding student financial assistance programs administered by the state, including the academic and CTE scholarship program, skilled workforce scholarship and loan repayment programs, tribally controlled community college grants, and student financial assistance grants.

In response to questions from committee members, Ms. Zastoupil indicated she would provide the committee with additional information regarding:

- Whether other states limit scholarship awards to the cost of attendance.
- Retention of scholarship recipients in the state.

Mr. Alex J. Cronquist, Senior Fiscal Analyst, Legislative Council, presented a bill draft [[25.0333.01000](#)] to amend certain student financial assistance programs. He noted the bill draft:

- Expands eligibility for the career builders scholarship and loan repayment programs to residents of neighboring states who work in North Dakota and restricts funds from being awarded to a relative of the individual who provided matching funds;
- Amends provisions of the career builders, student financial assistance grant, dual-credit tuition, Native American, scholars, and North Dakota scholarship programs to restrict funding from being awarded in an amount which, combined with other financial aid sources, would exceed the student's cost of attendance; and
- Expands the student financial assistance grant program to provide scholarships to students with family incomes less than \$80,000 to cover the full cost of tuition when combined with the student's base student financial assistance grant and any federal Pell grant award.

Committee members expressed concern with limiting scholarships to the cost of attendance.

Mr. Cronquist presented a bill draft [[25.0334.01000](#)] relating to higher education funding and capital projects. He noted the bill draft:

- Amends the higher education funding formula to ensure institutions with increasing enrollment do not receive reduced funding due to reductions in the credit completion factor;
- Adjusts University System capital building fund project eligibility to include bond payments for deferred maintenance projects for academic facilities;
- Appropriates funding for capital projects at UND, Mayville State University, and Minot State University, as intended by the Legislative Assembly in Section 47 of House Bill No. 1003 (2023); and
- Provides legislative intent that wind energy technology and law enforcement credits be weighted under the CTE instructional program classification factor in the higher education funding formula.

Committee members expressed concern with respect to the bill draft, including sections in the bill draft that would be addressed during the appropriations process during the 2025 legislative session.

It was moved by Representative Schreiber-Beck, seconded by Representative Hanson, and carried on a roll call vote that the committee amend the bill draft [[25.0334.01000](#)] relating to higher education funding and capital projects to remove Sections 2, 3, and 5 relating to the capital building fund, appropriations for capital projects, and the emergency clause. Representatives Sanford, Bahl, Cory, Fisher, Hanson, Heilman, Richter, Schreiber-Beck, and Swiontek and Senators Erbele, Krebsbach, Sickler, and Sorvaag voted "aye." Representative Martinson and Senator Kreun voted "nay."

It was moved by Representative Martinson, seconded Representative Schreiber-Beck, and carried on a roll call vote to recommend the bill draft [\[25.0334.01000\]](#) relating to higher education funding, as amended, to the Legislative Management. Representatives Sanford, Cory, Fisher, Hanson, Heilman, Martinson, Richter, Schreiber-Beck, and Swiontek and Senators Erbele, Krebsbach, Kreun, Sickler, and Sorvaag voted "aye." No negative votes were cast.

It was moved by Senator Sickler, seconded by Senator Sorvaag, and failed on a roll call vote to recommend the bill draft [\[25.0333.01000\]](#) relating to student financial assistance to the Legislative Management. Representatives Sanford, Cory, Hanson, and Richter and Senators Krebsbach, Sickler, and Sorvaag voted "aye." Representative Fisher, Heilman, Martinson, Schreiber-Beck, and Swiontek and Senator Erbele and Kreun voted "nay."

The committee discussed the potential of freezing tuition rates at the current level, including concerns regarding the level of funding for higher education that the state budget may be able to support.

The committee discussed the University System capital building fund, including the potential to increase funding and adjust matching requirements for the program.

It was moved by Representative Swiontek, seconded Senator Sickler, and carried on a roll call vote that the committee recommend the Legislative Assembly consider amending the University System capital building fund program to reduce Tier III matching requirements and to limit Tier III funds to legislatively approved capital projects. Representatives Sanford, Cory, Fisher, Hanson, Heilman, Martinson, Richter, Schreiber-Beck, and Swiontek and Senators Erbele, Krebsbach, Kreun, Sickler, and Sorvaag voted "aye." No negative votes were cast.

The committee discussed potential enhancements to the challenge grant program, including designating some grant funds for nonendowed scholarships.

It was moved by Senator Sickler, seconded by Representative Richter, and carried on a roll call vote that the committee recommend the Legislative Assembly consider expanding the challenge grant program to include funding for nonendowed scholarships. Representatives Sanford, Cory, Fisher, Heilman, and Richter and Senators Erbele, Sickler, and Sorvaag voted "aye." Representative Hanson, Martinson, Schreiber-Beck, and Swiontek and Senator Krebsbach and Kreun voted "nay."

In response to a question from a committee member, Ms. Johnson said Mayville State University is working with Dickinson State University (DSU) and the Board of Nursing to continue the nursing program at DSU.

Representative Martinson suggested the Legislative Council staff prepare a memorandum regarding the authority, history, funding, and overall responsibilities of the North Dakota Board of Nursing, and the authority of the Legislative Assembly to change the authority, funding, and responsibilities of the board.

Representative Eric James Murphy, Grand Forks, commented regarding the need to maintain a bachelor's of science in nursing degree program at DSU.

It was moved by Representative Swiontek, seconded by Representative Martinson, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and the bill drafts recommended by the committee, to present the report and recommended bill drafts to the Legislative Management, and that the committee be adjourned sine die.

Chairman Sanford adjourned the committee sine die at 3:40 p.m.

Alex J. Cronquist
Senior Fiscal Analyst

ATTACH:18