



HB 1064
House Education Committee
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Chair Heinert and members of the House Education Committee, my name is Claire Gunwall. I serve as the Director of Academic Affairs for the North Dakota University System. I am here to present testimony on behalf of the North Dakota University System (NDUS) and the State Board of Higher Education (SBHE) in support of House Bill 1064. This bill proposes critical amendments and additional clarification to chapter 15-18.1 of the North Dakota Century Code, concerning postsecondary education institution standards.

The NDUS and the SBHE fully support House Bill 1064. Our endorsement stems from our attentiveness to improving the quality and accessibility of higher education in North Dakota. The provisions of this bill align with our mission to uphold rigorous academic standards while expanding educational opportunities for students.

House Bill 1064 introduces essential changes aimed at strengthening the framework governing postsecondary educational institutions in North Dakota, more specifically out-of-state providers of online providers of distance education. The proposed edits contained within this bill will enhance institutional accountability, student protections, and the overall quality of education available to North Dakota students. Key provisions include:

1. **Establishing clear definitions and clarifications:** By amending section 15-18.1-01, the bill provides clearer definitions of terms like "distance education" and "educational credentials," making the language more reflective of current practices in the field of education. These changes will help eliminate uncertainty and ensure that all institutions, whether physical or online, are subject to the appropriate regulations. By clarifying the scope of the law, this bill also ensures that emerging forms of education, particularly online programs, are covered under the appropriate regulatory standards.
2. **Enhancing Accreditation and Financial Responsibility Standards:** The bill emphasizes the importance of accreditation by agencies recognized by the United States Department of Education and ensures that postsecondary institutions maintain a federal financial responsibility composite score greater than 1.5. This ensures that institutions are financially stable, reducing the risk of sudden closures or financial uncertainty that could affect students. These protections guarantee that students are attending institutions capable of fulfilling their educational and financial commitments.
3. **Enhanced Consumer Protections:** The bill strengthens protections for students by prohibiting institutions that do not meet the required authorization or accreditation standards from operating in the state. This provision ensures that students are not misled by institutions

that may offer substandard education or lack proper accreditation. It also empowers the SBHE to enforce these standards, ensuring that only authorized institutions are allowed to operate within North Dakota. This creates a safer educational environment for students and ensures that they receive valid and recognized credentials upon completion of their programs.

4. **National Council for State Authorization Reciprocity Agreements (NC-SARA) Membership Requirement:** One of the most impactful aspects of this bill is the introduction of the requirement for postsecondary educational institutions offering distance education to students in North Dakota to become members of NC-SARA. This provision is crucial because NC-SARA membership ensures that institutions adhere to nationally recognized standards, including quality standards, consumer protections, and reporting requirements. By aligning North Dakota with a nationwide system for distance education, this provision improves the safety, reliability, and quality of education for students participating in online programs, particularly out-of-state institutions.
5. **Streamlining authorization processes:** The repeal of Section 15-18.1-03, which relates to the authorization of postsecondary educational institutions not operating in the state, is an important step in streamlining the regulatory framework. This section is no longer necessary with the expanded provisions related to out-of-state institutions offering distance education, particularly given the new NC-SARA membership requirement. This change reduces the administrative burden on staff and expedites the review process for out-of-state institutions, ensuring a more efficient and responsive regulatory system.

In conclusion, the NDUS and the SBHE fully support House Bill 1064 with the proposed amendments to chapter 15-18.1 of the North Dakota Century Code. We believe that these changes will significantly enhance the standards and accountability of postsecondary education in North Dakota, benefiting students, institutions, and the broader community. The bill's provisions, particularly the NC-SARA membership requirement, enhanced financial and accreditation standards, and improved consumer protections will foster a transparent, reliable, and high-quality educational environment for all students in North Dakota. We respectfully urge the committee to recommend a "Do Pass" on House Bill 1064. Thank you for consideration of the proposed edits before you today. I remain available to answer any questions you may have.