

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

HIGHER EDUCATION COMMITTEE

Thursday, December 18, 2003

North Dakota State University, Northern Crops Institute,
Upper Great Plains Transportation Institute, Main Research Station,
and North Dakota State University Extension Service
Fargo, North Dakota

Senator Ray Holmberg, Chairman, called the meeting to order at 8:30 a.m. on Thursday, December 18, 2003, at the Memorial Union, North Dakota State University, Fargo.

Members present: Senators Ray Holmberg, Tim Flakoll, Tony S. Grindberg, Ed Kringstad, Elroy N. Lindaas, Dave Nething; Representatives Ole Aarsvold, Thomas Brusegaard, Bette B. Grande, Kathy Hawken, Frank Klein, Bob Martinson, Darrell D. Nottestad

Members absent: Representatives Nancy Johnson, Eugene Nicholas, Steven L. Zaiser

Others present: Richard Brown, Carolyn Nelson, John Syverson; State Senators, Fargo

Gary A. Lee, State Senator, Casselton

Rick Berg, Ron Iverson, Blair Thoreson; State Representatives, Fargo

Kim Koppelman, State Representative, West Fargo

See Appendix A for additional persons present

It was moved by Representative Nottestad, seconded by Senator Nething, and carried on a voice vote that the minutes of the October 21, 2003, and November 18-19, 2003, meetings be approved as distributed.

NORTH DAKOTA STATE UNIVERSITY

Dr. Joseph A. Chapman, President, North Dakota State University, welcomed the committee to the campus of North Dakota State University and reviewed the committee's tour packet contents. A copy of the packet is on file in the Legislative Council office.

Dr. Chapman said the major themes of North Dakota State University are:

1. It's about people.
2. Students are paramount.
3. Leveraging support.
4. Programs.
5. Stature.

Dr. Chapman said the university's future goals are to:

1. Advance to the Carnegie Doctoral Research Extensive classification.
2. Increase its national and global reputation.

3. Grow enrollment to 12,000 students by 2005.
4. Increase faculty and staff salaries to the mid-range of peer institutions.
5. Increase business and industry partnerships.
6. Increase philanthropy.

Dr. Chapman said the university's fall 2003 headcount enrollment is 11,623, an increase of 477 from the fall 2002 headcount enrollment of 11,146. Of the 11,623 students, 1,466 are graduate students, an increase of 194 from the previous year's graduate enrollment of 1,272. He said the university increased tuition rates for the 2003-04 school year by \$470, or 16.2 percent, and is anticipating a similar increase for the 2004-05 school year. He said the university has increased research expenditures from \$72 million in fiscal year 2002 to \$92 million in fiscal year 2003.

Dr. Chapman said the 2003 Legislative Assembly provided funding of \$1.25 million from the North Dakota Development Fund for matching funds for the establishment of a university business incubator. He said the project will be constructed in phases with the estimated cost of Phase I of \$4.2 million and the estimated cost of Phase II of \$1.8 million. He said the funding sources for the project include the funding from the Development Fund, federal funding from the United States Department of Commerce, and private investment. He said the 2003 Legislative Assembly also authorized an \$11 million special fund housing complex to replace the Bison Court apartments. He said the new complex should be completed by the fall of 2005.

In response to a question from Representative Grande, Dr. Philip Boudjouk, Vice President for Research, Creative Activities, and Technology Transfer, North Dakota State University, said most technology-related research grants require minimum matching funds.

Mr. Dick Rayl, Vice President for Business and Finance, North Dakota State University, provided information regarding the status of the 2003-05 biennium budget. The information is included in the committee's tour packet. Mr. Rayl said the university's spending is on track with budgeted expenditures.

Mr. Bruce Frantz, Director of Physical Plant, North Dakota State University, provided information on future capital improvement needs and current land and building utilization. The information is included in the committee's tour packet. He said the university's future capital improvement needs include:

- Boiler replacement and enhancement of coal-handling capabilities.
- Ceres Hall renovation.
- Construction of a chemical and pesticide handling storage facility.
- Infrastructure improvements, including 17th Avenue reconstruction, Bolley Drive water line replacement, and steam main replacement.
- Memorial Union renovation and addition.
- Minard Hall renovation.
- Storm water discharge modifications.
- Van Es heating, ventilation, and air-conditioning upgrade.
- Wellness Center addition.
- Construction and renovation of greenhouses.

Mr. Frantz said the Memorial Union renovation and addition project and the Wellness Center addition project were approved by the university's student body and both of the projects will be funded with student fees. He said the construction and renovation of greenhouses is necessary to meet the critical need for state-of-the-art greenhouse space by the North Dakota Agricultural Experiment Station and the United States Department of Agriculture researchers. Attached as Appendix B is information regarding the university's land and building utilization.

In response to a question from Senator Holmberg, Mr. Frantz said the 2003 Legislative Assembly did not approve the university's requested energy improvement projects totaling \$1,077,977 and the university has not proceeded forward with any of the energy projects.

NORTH DAKOTA AGRICULTURAL EXPERIMENT STATION

Ms. Patricia Jensen, Vice President and Dean, College of Agriculture, Food Systems, and Natural Resources, North Dakota State University, provided information regarding agricultural program enrollments and agricultural research activities. She said for fall 2003 there are approximately 1,096 students enrolled in agricultural programs at the university. She said agricultural research expenditures for fiscal year 2004 are estimated to be \$12.83 million, an increase of \$4.37 million, or 51 percent, compared to fiscal year 2003.

Dr. Ken Grafton, Director, North Dakota Agricultural Experiment Station, provided information regarding the mission and major initiatives of the North Dakota Agricultural Experiment Station. The information is included in the committee's tour packet. He said the mission of the North Dakota Agricultural

Experiment Station is to develop and disseminate technology important to the production and utilization of food, feed, fiber, and fuel from crop and livestock enterprises. The research must provide for an enhancement of the quality of life, sustainability of production, and protection of the environment. He said major initiatives of the North Dakota Agricultural Experiment Station include biofuels, food safety and biosurveillance, biotechnology, livestock opportunities, natural resources management, and identifying and integrating new technologies into agricultural and agribusiness practices.

Dr. Grafton said the 2003 Legislative Assembly authorized \$800,000 from the Ag PACE fund for the establishment of a beef systems center of excellence. He said the beef systems center of excellence is to be a public and private partnership that would collaborate in a state-of-the-art facility to conduct educational and research programs on meat quality, genetics, nutrition, management, food safety, and other research areas while the private partner carries out the business side of the operation. He said the legislation requires the university to collect \$1 million in federal funds and \$1 million in special funds prior to spending the \$800,000 of funding from the Ag PACE fund and to date \$1 million in federal funds has been received and efforts are continuing to collect \$1.2 million from private sources.

Dr. Grafton said future capital improvement needs include a research greenhouse complex. He said the complex would be a collaborative project involving both North Dakota State University and the United States Department of Agriculture and would include the construction of new greenhouses and the renovation of selected existing greenhouses to meet the critical needs for state-of-the-art greenhouse space for researchers. He said the North Dakota Agricultural Experiment Station needs secure greenhouse space to conduct relevant research on transgenic crops. Attached as Appendix C is information regarding the station's land and building utilization.

In response to a question from Representative Martinson, Dr. Grafton said the total estimated cost for the research greenhouse complex project is \$20 million to \$25 million, with one half of the funding from the North Dakota Agricultural Experiment Station and the other half from the United States Department of Agriculture.

In response to a question from Senator Nething, Dr. Grafton said the new greenhouses would be constructed at an undetermined site on the university's campus.

NORTH DAKOTA UNIVERSITY EXTENSION SERVICE

Dr. Sharon Anderson, Director, North Dakota State University Extension Service, provided information regarding the purpose and programs of the North Dakota State University Extension Service. The

information is included in the committee's tour packet. She said the purpose of the North Dakota State University Extension Service is to create learning partnerships that help adults and youth enhance their lives and communities. She said program highlights include educational programs on the merits of biodiesel fuel and understanding the science of biotechnology, integrated pest management scouting, 4-H youth development, and the establishment of marketing clubs.

NORTHERN CROPS INSTITUTE

Dr. Patricia Berglund, Director, Northern Crops Institute, provided information regarding the mission and the budget of the Northern Crops Institute. The information is included in the committee's tour packet. She said the Northern Crops Institute is a cooperative effort between North Dakota, Minnesota, Montana, and South Dakota that supports regional agriculture and value-added processing by conducting educational and technical programs that expand and maintain domestic and international markets for northern-grown crops. She said the institute's funding from the state general fund is used to leverage funding in Minnesota and South Dakota and from regional commodity organizations.

NORTH DAKOTA FOREST SERVICE

Mr. Larry Kotchman, State Forester, North Dakota Forest Service, provided information regarding the mission and major initiatives of the Forest Service. The information is included in the committee's tour packet. He said the mission of the North Dakota Forest Service is to care for, protect, and improve forest and natural resources to enhance the quality of life for future generations. He said the North Dakota Forest Service's major initiative for the 2003-05 biennium, building sustainable communities through forestry, focuses on improvements for North Dakota in health, safety, and the economy.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Mr. Gene Griffin, Director, Upper Great Plains Transportation Institute, provided information regarding the mission and programs of the Upper Great Plains Transportation Institute. The information is included in the committee's tour packet. He said the institute was established by the 1967 Legislative Assembly to make a significant contribution to rural and small urban transportation and logistics by attracting, developing, inspiring, and retaining exceptional people. Programs of the institute include an advanced traffic analysis center, a transportation education program, a North Dakota strategic transportation program, an agricultural transportation center, and a small urban and rural transit center. He said transportation and logistics have to be better managed if the goal of growing North Dakota's

economy is to be realized. He said reauthorization of the Transportation Equity Act for the 21st century may increase federal funding for regional university transportation centers from \$1 million to \$2 million to \$4 million per year, and if approved, the institute's funding from the state general fund would need to increase from \$200,000 to \$400,000 per year to receive all of the federal funds.

The committee recessed for lunch at 11:30 a.m.

BUDGET TOUR

After lunch the committee conducted a tour of the campus of North Dakota State University, including Minard Hall, an academic facility housing the College of Arts, Humanities, and Social Sciences and the Math and Psychology Departments; the university's downtown campus, which will house the Visual Arts Department, major components of the Architecture and Landscape Department, and the Tri-College University office; the university's greenhouses and chemical storage facilities; and Research 2, the Center for Nanoscale Science and Engineering and the Center for High Performance Computing.

In response to a question regarding Minard Hall, Dr. Chapman said the 2001 Legislative Assembly authorized \$3 million of special funds for an addition to Minard Hall. He said the addition was completed in August 2003 and the project was funded through a revenue bond to be repaid with auxiliary funds.

In response to a question regarding the university's downtown campus, Mr. Keith D. Bjerke, Vice President for University Relations, North Dakota State University, said the university's downtown campus facility should be completed in the fall of 2003.

In response to a question regarding the chemical storage facilities, Dr. Chapman said the university is in violation of federal regulations relating to the storage of pesticides, insecticides, and other chemicals. He said a new facility needs to be constructed with proper security and drainage protection. He said the university will look into the possibility of using Homeland Security funding to construct a new facility.

In response to a question regarding Research 2, Mr. Gregory McCarthy, Associate Vice President for Interdisciplinary Research, North Dakota State University, said the total cost for Research 2, including its equipment and tools, is estimated to be \$16 million to \$17 million.

Upon completion of the tour, the committee adjourned subject to the call of the chair at 3:20 p.m.

Roxanne Woeste
Senior Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor
ATTACH:3