

1999 SENATE EDUCATION

SCR 4039

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR4039

Senate Education Committee

Conference Committee

Hearing Date February 24, 1999

Tape Number	Side A	Side B	Meter #
1	xx		3529-end
1		xx	0-644
1		xx	1239-2151
Committee Clerk Signature <i>Jinda Christman</i>			

Minutes:

SENATOR FREBORG opened the hearing on SCR4039. SENATOR REDLIN was absent. SENATOR LINDASS, District 20 of Mayville, testified on SCR4039. No written testimony. My reason for submitting this resolution comes from a variety of background issues that have taken place in the last several years. As you may know there is Mayville State University and this has sharpened my sensitivity toward higher education in ND. This resolution has to do with seeking means by which we can recruit out of state students to help our universities to operate at maximum peak capacity. If you have a classroom that is half full our university isn't being used to its full extent. I use the term fixed costs, we have a facility, instructors, all those things that are in place, but in some cases they are not used to their full extent. We have projections, looking at the future that we have less college students within the state of ND. Enrollments are down in our primary and secondary education and projected to decrease further. We do have quite a few students from out of state. Positive side of that is that many of them do remain in

the state after they graduate. Out of state students do generate positive economic effects for the state. This resolution simply says that the Legislative Council should study methods by which qualified out of state students can be recruited by public institutions of higher education and encouraged to enroll in post secondary programs.

SENATOR KELSH : One of the criticism I usually get back home is that we are encouraging out of state students. Is there an economic advantage to the state of ND to having these students come in from out of state.

SENATOR LINDAAS: Matter of opinion to a certain degree but we do have fixed costs connected with our institutions, anytime you can get more students to come in and help lower the fixed costs it is a positive thing for the colleges.

SENATOR KELSH : The same people would tell me then that you should cut the number of classes. What is a good answer for them.

SENATOR LINDAAS: I submit that the classes are already there.

SENATOR O'CONNELL : Senator, I get the same thing all the time too. Why is ND always funding out of state students. How do we educate the public, because if I remember right it is over 9 million dollars.

SENATOR LINDAAS: I'm not sure I have the answer to that. When it comes to educating the public, we fall down in many areas. The idea that we are subsidizing out of state students is erroneous.

Testimony in Favor: Representative Maragos, District 3 of Minot. No written testimony.

This is one of the most important study resolution that we are going to be addressing in this session. We must start quantifying the cost benefit ratio of the institutions of higher education.

This study will help answer those questions and we can't begin to inform the public until we inform ourselves as to what these costs are, what these benefits are and hopefully by doing that we'll reduce some of the unnecessary friction that I believe goes on with this process with regard to K-12 and higher education. Natural competition for these dollars.

SENATOR O'CONNELL : Tell me why this would be good for students.

SENATOR MARAGOS: Did I indicate it would be good for students. This study is not for students it is for the citizens of ND to understand exactly what the benefits are to the system. What the benefits may be by offering education to outside people and bringing them into the state.

Testimony in Favor: Representative Aasvold, District 20. No written testimony. Observation is that we need some good numbers to present to our public, our taxpayers, as we look at the future of higher education in ND. We don't know what those numbers are, we have heard so far is conjecture and need to prove those numbers up.

SENATOR KELSH : Many people who are saying over and over again, I want to make it clear that I don't agree with them, that we are spending state dollars to educate out of state kids that we know are never going to be here. Get in trouble when I try to justify, how do you answer that.

Representative Aasvold: We're looking for those numbers and for those answers and that is the purpose of this resolution to come up with these answers. Perhaps it will indicate that we are doing as much as we can or maybe doing too much in terms of recruiting and attracting out of state students. Think there is also an academic side to this whole thing and I would think our academic program deserve as much attention as our athletic programs in terms of attracting those bright young people from out of state. Better quality programs for our own kids in ND in the

process. The numbers we find in the study will give us the numbers we need to answer the folks in your district.

SENATOR O'CONNELL : Do you feel though when you answer these people that actually it is not costing the state any money when they spend that kind of money on main street and I think it is 9.3 million.

Representative Aarsvold: These are the questions that we are trying to answer with the study.

Testimony in Favor: Jason Bernhardt, North Dakota Student Association. Written testimony attached. Over 90% of students graduating would like to stay in ND after graduating.

But either they don't have a job or ND doesn't have any area of interest for them. Programs are being cut and there is no place for these students to go to school. But if we look at students that are from out of state we see that they want to come here it is just a matter of providing them with programs that are in their area and a job for them when they are done. Capitalize on our strong points, bring these out of state students in to keep ND growing and provide the interest that they have financially and socially as well.

SENATOR KELSH : I do not have an institution in my area. I totally agree with you that it is unfortunate that we can't keep our own people here that want to stay because of lack of decent jobs. I think that is a terrible situation that we are losing population.

Jason: I am in complete agreement with you and I think it is unfair.

Neutral Testimony: Laura Glatt, ND University System.

SENATOR O'CONNELL : How much is spent on main streets in North Dakota.

Laura: To the best of my knowledge, I am not aware of any augment number but generally what we say in regard to non resident student and the activity they create in spending in their communities while they live and reside there either 9 months or the entire year, a minimum they spend between \$10-12,000 per year.

SENATOR O'CONNELL : Approximately how many students do we have from out of state.

Laura: About 10,500 students.

SENATOR COOK : This bill addresses how we might keep or attract out of state students.

You and I have the privilege of attending a conference on how technology is going to change higher education. Do you think we need a study or do we have to definitely start looking at technology and how it is going to affect higher education and how it will affect our own ability to keep our own in state students.

Laura: Advent of technology can be both a blessing and a challenge. I think we are at that crossroads. Biggest challenge is portability issue, stay current with technology and competitive.

The second challenge certainly opens the marketplace for a wider variety of institutions with whom we have to compete. Not only the public sector institutions and organizations but the private sector. Pricing ourselves so we can compete. Most major benefit of this study when looking at attracting non resident students is being able to spread our fixed costs over a larger student base. Keeps tuition costs down for North Dakota students as well.

Close hearing on SCR4039.

SENATOR KELSH : I move a DO PASS on SCR4039.

SENATOR O'CONNELL : 2nd

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Senate Education Committee

Bill/Resolution Number SCR4039

Hearing Date February 24, 1999

SENATOR COOK : Technology, our institutions are going to have to be prepared to make that change real quick with technology it is going to be very easy for students right here in ND to get a higher education that is possibly delivered from overseas. They are going to have to compete with this and change. If there is something we should be studying its how are we going to make sure that our institutions are prepared to survive as this change comes and to be a leader in making this change. We will not only have to compete for out of state students we are going to have to compete for all the students we have in ND. I'm wondering if this should be a vehicle to study a change in technology and how it is going to affect. We could change it to make it a more encompassing resolution rather than what it is right now. Will support as it is.

SENATOR KELSH : Don't disagree but I do think they still need that contact with an instructor.

Don't know how fast this is going to come.

Discussion followed on the new type of teaching that will come with new technology.

Vote: 6 Yes 0 No 1 Absent

CARRIER: SENATOR FLAKOLL

Date: 2/24/99  
Roll Call Vote #: \_\_\_\_\_

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SCR 4039

Senate EDUCATION \_\_\_\_\_ Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Move Do Pass on SCR 4039

Motion Made By Kelsh Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Senator Freborg, Chairman	✓				
Senator Cook, Vice Chairman	✓				
Senator Flakoll	✓				
Senator Wanzek	✓				
Senator Kelsh	✓				
Senator O'Connell	✓				
Senator Redlin					

Total (Yes) 6 No 0

Absent \_\_\_\_\_

Floor Assignment Flakoll

If the vote is on an amendment, briefly indicate intent:



REPORT OF STANDING COMMITTEE (410)  
February 24, 1999 3:16 p.m.

Module No: SR-33-3494  
Carrier: Flakoll  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SCR 4039: Education Committee (Sen. Freborg, Chairman) recommends DO PASS**  
(6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SCR 4039 was placed on the  
Eleventh order on the calendar.

1999 HOUSE EDUCATION

SCR 4039

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4039

House Education Committee

Conference Committee

Hearing Date 3-15-99

Tape Number	Side A	Side B	Meter #
Tape # 1		x	0.1 to 48.7
Tape # 2	x		7.1 to 10.9
Committee Clerk Signature <i>Joan Dues</i>			

Minutes:

Chairman R Kelsch , Vice Chair Drovdal , Rep Brandenburg , Rep Brusegaard , Rep Haas , Rep Johnson , Rep Nelson , Rep Nottestad , Rep L Thoreson , Rep Grumbo , Rep. Hanson , Rep. Lundgren , Rep. Mueller , Rep. Nowatzki , Rep. Solberg .

Chairman R Kelsch : we will open the hearing on SCR 4039 and have the clerk read the title.

Sen Lindaas: District 20. I appear before you as the prime sponsor of SCR 4039. This study would study recruitment of qualified out of state student to our system of higher education within North Dakota. Enrollment of k-12 are continually dropping in the state. Our projections show that we won't have a very good enrollment within higher education system in the years after 2000. Some of those concerns were responsible for measure one in our last election. They talked about the declining enrollment and continued cost of our higher education system. Within higher education we have fixed costs, with those fixed costs if we can fill our class rooms to

capacity we would be more efficient. We have a great higher education system and have a good product for sale, namely education. If we could provide some of the education for those out of state students it would be a plus for North Dakota. It is a matter of economic development for the state. Out of state students pay the tuition and then they have living costs that impact the local economy and many of these students take up residency in the state. This study would give us some numbers and see how many the higher education system could handle. We could also make projections as to which direction we should take. We don't want to do this to a degree that it would displace any North Dakota students or impact their access to higher education. I don't think we should be building new buildings to accommodate out of state students. I would entertain any questions.

Vice Chair Drovdal : We do not charge full cost to the out of state students. How do we get economic development out of that if we only charge a third of the cost?

Sen Lindaas: Those costs are fixed, we have certain costs that it takes to maintain our institutions, and yes you can divide that among the students of North Dakota and the out of state students. But bringing in the extra students does not raise the fixed costs.

Nottestad: Looking at a study of recruitment, doesn't the board of higher education have an unofficial policy of recruitment? Would a study like this back fire to bring out those against bringing more in.

Lindaas: I can't address what the study might bring out, but it brings everything out into the light and then everyone can look at it. This would set a direction of what we would do in the future.

Rep. Mueller : Are the numbers of thirty per cent correct that reflect the number of out of state students that stay in the state of North Dakota once they have been educated here.

Lindaas: That is the figure that I have.

Rep. Mueller : If you are talking economic development, that would fall under that.

Sen Aarsvold: District 20. Here to testify in support of SCR 4039. This resolution would study the recruitment of qualified non resident students to our higher education system. We do currently recruit qualified non resident students to come to our colleges. In some cases we give them a very generous scholarship, many of you have contributed to in forms of contributions to your foundations. Unfortunately we choice to limit qualified currently, if you are able to skate fast and put a hard rubber disk into a fish net, you are considered qualified. Or if you are very large and can knock people to the ground very easily, you are considered qualified. Or if you are very tall and can put a ball through a metal cylinder, you are considered qualified. Or if you are able to hit a ball with a stick that is thrown very hard, then you are considered qualified. So those are the qualifications now that we deem most important when we go out of state to recruit students to come to our colleges. That is not to say that those folks do not and have not made a significant contribution to this state and to higher education in North Dakota. Certainly many of them are our most generous benefactors, they have sent back hundreds of thousands and even millions dollars back to North Dakota to provide improved facilities to our colleges. Should we discontinue that practice, certainly not. We recruit those folks knowing what they might offer this state, they put North Dakota on the map and in the news. I would suggest that we make an effort to expand our minds what we deem qualified, what qualified means. We would recruit other students that are deemed qualified academically to come to our campus' and make their contribution that the athletes have made over the years, put us on the map and in the news

academically. Many of them will stay. With that Madam Chair, I would hope the committee would act favorably to SCR 4039.

Rep Nelson : Don't you think that the quality of education that our universities offer is recruitment enough and compare that with some of the private universities and the mix of resident and non resident students who do this without state support. In district 7, giving state support to non resident students is not a positive PR situation. I come from a district that does not have a university system in them, I think you have to balance that on the goals that does have a university in their district.

Aarsvold: We want a study to see if this is a viable opportunity for us financially.

Rep Maragos: District 3. I stand in support of SCR 4039. It is important that we study the cost benefit ratio not only to the institution but to the state, with the occurrence of out of state students. We know that we are not educating more than we graduate in the four year cycle. But what we have to know, what the real benefit is of reciprocity. What is the economic impact, is it a positive or negativity impact.

Jason Bernhardt: North Dakota Student Association (See attached testimony) .

Rep. Mueller : The recruitment effort, would you see it as being a joint effort on behalf of all the colleges or as an individual, do you have some thoughts about that?

Bernhardt: That was a concern that was addressed at our last meeting. That is one of the things that we wanted to have come out of this resolution, what kind of an impact can we have if we pool all of our universities together and go out there and get students as North Dakota. The students would like to see it as a joint effort.

Rep Nottestad : Has the student association conducted a survey to see the financial impact the out of state student has at the university.

Bernhardt: We have never have done a survey, but every year institutions like UND and NDSU do a sample survey of the students that have graduated. The numbers do indicate that the costs are higher, but they indicate that if they had a job in their area of expertise they would stay in North Dakota.

Chairman R Kelsch : Anyone else who wishes to testify in support of SCR 4039? Anyone who wishes to appear in opposition of SCR 4039? Anyone who wishes to appear neutral?

Laura Glott: With University Systems. My purpose this morning is only to clarify a couple of points that have been made in committee discussion. Ms Glott then went on to give information on the number of North Dakota students, out of state students, and what the state of Minnesota does with students of North Dakota. She also spoke on recruitment on out of state students.

Rep Brusegaard : What is the total cost per student?

Glott: I couldn't tell you.

Rep Brusegaard : We talked about the cost that the Minnesota pay, we have about six thousand students from Minnesota?

Glott: In the fall of 1998, there was 6,106.

Rep Brusegaard : Went through a process whereby he derived the amount that it costs the state of North Dakota to educated the out of state (Minnesota) students. wouldn't that make a sixteen hundred subsidy by our state?

Glott: What your calculation overlooks is that there are no North Dakota residents getting their education in Minnesota. The state of Minnesota also subsidies the education of several thousand

North Dakota residents. There is a one for one exchange, the difference is that there are more Minnesota students coming here.

Rep Brusegaard : The university side of this discussion is that if we didn't have reciprocity agreement those students wouldn't go to Minnesota to get their education.

Glott: I couldn't say that for certain.

Vice Chair Drovdal : You have identified Minnesota students , what about Montana?

Glott: In the fall of 1998, there wee 947 Montana students and 603 from South Dakota. In terms of the rate they pay one hundred fifty per cent of our resident rate.

Rep. Hanson : One of the complaints that I get is that it takes five years to get through NDSU and UND and the problem is that you can't get into certain classes. Do you think we are recruiting

we are over recruiting in certain areas?

Glott: We are not finding that, we have institutions that are ready to make guarantees that students can get what they need to graduate. One reason it takes longer to graduate is that the student is taking more credit hour then they need to graduate. We also are having more degree requirements that you can not complete in four years.

Rep. Hanson : Laura could you get us a list of the per centage of non resident students in the eleven institutions?

Glott: Yes, I can.

Rep. Hanson : Is UND about 40 per cent?

Glott: I am not sure of the per cent at UND. NDSU UND and Wahpeton would have the largest number of non resident students.



Rep Nelson : I would appear to me in the case of Montana and South Dakota, the state tax payers are subsidizing part of the difference. Isn't there also an advantage for students by joining regional groups, aren't considering a broader affiliation where it gives the students the advantage of lower tuition when they come to North Dakota.

Glott: One of the compacts we are currently member of is Western Interstate Commission on Higher Education, and that is a consortium of western states that joined together and one of the programs is a student exchange program both at the under graduate level and graduate level. Goes on to explain that program.

Rep Nelson : What is the net flow of students, plus or minus, from North Dakota to the WICHE and the from WICHE to North Dakota?

Glott: 813 non resident students in North Dakota in the WICHE program. There are 415 North Dakotans attending school out of state.

Rep Nelson : Is it safe to say, that in this program, four hundred or so students that are coming into the state, are below what we are supporting our resident students?

Glott: That is certainly true, but remember the figure I gave you on the state general fund per student cost, is a total cost. A large part of that appropriation is going to cover our fixed cost. The cost related to fixed expenses won't change. The only rise in cost is the marginal costs which include, teacher salaries and support staff.

Rep. Nowatzki : We have a number of students that have to leave the state, because we don't have colleges that offer courses in certain professions. Do we have enough slots available in other states for our students who choose to go into those professions? And how much does North Dakota help to pay for those students?

Glott: The legislature does continue to support funding for a program called the Professional Student Exchange Program, that money is used to buy access at out of state institutions, we do continue purchase slots to guarantee North Dakota residents some of them to have access to three professional programs.

Rep. Nowatzki : Do our students have a waiting list?

Glott: Yes, there is a waiting list.

Rep. Nowatzki : Is that waiting list, based on the fact that North Dakota is not paying enough money to keep the slots or is it a flat out cap by other states?

Glott: Part of it is the limitation and the funding we have to purchase slots. I am not sure if the legislature provided the funding if we could get those slots, but a student don't get funding from these slots, they can go to that institution and apply as an at large student.

Chairman R Kelsch : Any further questions. Anyone else wishing to testify on SCR 4039? We will close the hearing on SCR 4039.

#### COMMITTEE ACTION

Chairman R Kelsch : We will take up SCR 4039. What are the wishes of the committee?

Committee discussion.

Rep. Solberg : Move a DO PASS.

Rep Nottestad : seconded the motion. .

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House Education Committee

Bill/Resolution Number Scr 4039

Hearing Date 3-15-99

Chairman R Kelsch : Committee discussion. We will have the clerk call the roll on a DO PASS

motion and place on the consent calendar on SCR 4039. The motion PASSES 13 YES 0 NO 2

absent floor assignment Rep L Thoreson .

Date: 3-15-99  
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SCR 4039

House Education Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass + place on Consent

Motion Made By Solberg Seconded By Nottestad

Representatives	Yes	No	Representatives	Yes	No
Rep. ReaAnn Kelsch-Chairperson	✓		Rep. Dorvan Solberg	✓	
Rep. David Drovdal-Vice Chair	✓				
Rep. Michael D. Brandenburg	✓				
Rep. Thomas T. Brusegaard					
Rep. C. B. Haas	✓				
Rep. Dennis E. Johnson	✓				
Rep. Jon O. Nelson	✓				
Rep. Darrell D. Nottestad	✓				
Rep. Laurel Thoreson	✓				
Rep. Howard Grumbo	✓				
Rep. Lyle Hanson	✓				
Rep. Deb Lundgren	✓				
Rep. Phillip Mueller	✓				
Rep. Robert E. Nowatzki					

Total (Yes) 13 No 0

Absent 2

Floor Assignment Thouson

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**  
March 15, 1999 1:44 p.m.

**Module No: HR-46-4798**  
**Carrier: L. Thoreson**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SCR 4039: Education Committee (Rep. R. Kelsch, Chairman)** recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SCR 4039 was placed on the Tenth order on the calendar.

1999 TESTIMONY

SCR 4039



## North Dakota Student Association

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### SCR 4039

Testimony – Jason Bernhardt, North Dakota Student Association

February 24, 1999

Hello again Mr. Chair and committee members. I am here to inform you of the student's support for SCR 4039. While enrollment at our eleven publicly funded institutions of higher education has stabilized recently, there is always room for more students.

No matter which school you talk to, they are all working their best to recruit as many high-quality students as possible. In fact, recruitment is so important that in some communities, the city has provided money to the institution, intended for recruitment. Cities with institutions of higher education do not take this matter lightly. Neither do students. Demographics indicate that soon there will not be enough in-state students to justify keeping all of our schools open. However, each institution has many strong points and areas of interest that bring students from Mandan to Moscow. It is just as important to students as it is to their school to capitalize on these points of interest that draw students in.

Again, the students of North Dakota are happy to see that SCR 4039 is being considered. We support it and strongly encourage you to do so too. Once again, we feel that it will be time well spent and an investment in the future of North Dakota. A step in this direction is a positive step into higher education in North Dakota. Thank you for your time and consideration.



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