

**2013 HOUSE EDUCATION**

**HCR 3042**

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

HCR 3042  
March 11, 2013  
19682

☐ Conference Committee

Committee Clerk Signature



## Minutes:

**Ch. Nathe:** We will open the hearing on HCR 3042.

**Rep. Rick Becker:** Sponsor, support. There are several pages where the language was struck. Essentially, Rep. Carlson, with 3047 covered the intent, the purpose, the concerns that have arisen over the years with the current arrangement that we have for higher education. In essence, I would say that he set the table, cooked the pasta, it's just whether you want marinara or alfredo sauce. There are two options. In your wisdom, you will consider which bills you decide to bring forward. This bill deals with an elected official. As opposed to a popularity contest, I would say that the elected official has inherently a few pros. One is that the elected official is going to beholden to the people of ND, more so than to one other elected official. Therefore, you could say that there is potentially less politics in it. Concerns were brought up in regard to "bang for the buck". I think that in the current situation and in other derivations of the change, if the commissioner, or whatever you call that position, is not going to beholden to the people, they aren't going to be as concerned about getting "bang for the buck". It's the people's bucks that we want to get bang for. Right now, I feel that the top dogs are concerned about getting more buildings, more students, higher visibility and so forth. We really want them to provide quality education and not waste people's money. I believe that an elected official might be in the best position to do that. Our top executive is an elected official and this is really not that much different? This would be the top elected official for higher ed. We have to base that decision for voting on their background and abilities. This board also has an advisory board. The advisory board is appointed by the governor, so the governor still has a say in how things will go. The advisory board is approved by leadership of both Houses, and the advisory board, a person could argue that they have no purpose, they can't vote, they can't do anything. But really the advisory board serves a great purpose, and that is to advise the commissioner. The commissioner should be the person where "the buck stops here". The executive, the commissioner, is going to want an advisory board that is going to know the nuances of the various colleges, universities; the politics of ND; of each specialty field. They are actually very valuable. Can the commissioner step out and say I'm going to ignore what my advisory board said, sure. Then they have to stand by their decision and they will either be reelected or not based on how well they performed. The commissioner in this bill is elected for four year terms, not to have more than two full terms. That may be something you feel is wise, maybe something you want

to change. The timing of it, because it is an elected official, it would have to come after the 2014 election for this constitutional change; it would start January of 2017. It gives time to sort of work through the specifics of how this can all be put into place. There are education requirements in the bill for the commissioner. Something really needs to be done. I think that the people of ND understand that there is something wrong with the current system.

Rep. Klemin: Why the term limit of 2 terms for this elected position, it would be the only term limit that we have in the state.

Rep. Rick Becker: If we feel that we don't want to start going down that road, you can strike it. I like the idea of term limits so that we don't have lifetime elected officials. Sometimes it seems like it goes that way. By virtue of having two terms, it brings fresh ideas in and I think that is a good idea. I wouldn't mind having some of our other elected officials also have term limits. You're right; this would be the first one.

Rep. Klemin: I think there is a constitutional provision for the per diem compensation of the student member, on page 8, line 13 and 14, each member of the higher education advisory council, except the student, is entitled to receive per diem compensation. It seems like maybe the student is more in need of the compensation than any of us. Why doesn't the student get paid for going?

Rep. Rick Becker: I think I agree with you.

Rep. Hanson: As this would be creating a new statewide official, do you know what the compensation would be set at or who would be setting that compensation, and if you do, would it be relative to some of our statewide officials and DPI.

Rep. Rick Becker: I don't know. It's not in the bill and that is something that would left to the legislature.

Ch. Nathe: Page 7, line 16, you talk about the higher education advisory council consists of 7, 9 or 11 members appointed by the governor. Would the governor decide on that number or the legislature?

Rep. Rick Becker: I believe the governor would decide on that.

Rep. Heller: Did you say that this is a non-partisan position, like the Superintendent of Public Instruction.

Rep. Rick Becker: It's my intent that it would be a non-partisan position.

Rep. Delmore: I have a question on the qualifications that you lay out on page 6 and 7; that they would be committed to the development and maintenance, they meet current and future educational workforce challenges, all the items listed there. Who would determine that, the candidate himself, as he steps forward to the governor, or just the person promoting himself as understanding and listing those qualifications.

**Rep. Rick Becker:** Right, it sets a job description and requirements. Like any person who is going to put themselves forth for an elected position hopefully they feel that they truly meet those requirements and the voters would also vote on them based on having met the general provisions that we would like to see from them.

**Rep. Delmore:** You also have that put on the advisory council, which the governor would appoint. So that would be on their resume, whatever, much like the board we have today, we could get the best representation, but you also have the minority and majority leader of each House in there. Is this kind of a contradiction?

**Rep. Rick Becker:** We wanted to still have some input from the legislature, at least the leadership. Also so that both parties are represented in having their voices heard. You could theoretically come up with a hypothetical where the governor's trying to cram something through in some manner and this is a little bit of a safety bill for that.

**Ch. Nathe:** How long is the term to be on the council?

**Rep. Rick Becker:** Two years.

**Rep. K. Koppelman:** The current constitution calls for a state commissioner of higher education. We have a chancellor of higher education instead. Apparently the answer we were given was, that happened statutorily and that's news because I didn't know the legislature could overrule the constitution rather than uphold it. But apparently when they like what the legislature does, we can. Your bill calls for a similar title; it says the Higher Education Commissioner. In your view, if this bill were to go forward and the voters were to approve it, would that title and function change or because it's in statute as a chancellor, would that continue to govern, what's your thought?

**Rep. Rick Becker:** My thought is that the title would be as written in the bill and we would want to, throughout the previous terms, in an effort to make it very clear, this is day 1, we are starting things anew.

**Rep. Steiner:** If someone served 8 years, consecutively and then they were done, and if they stepped out a term, they could come back in.

**Rep. Rick Becker:** I believe the way it is written, they could.

**Rep. Schatz:** I'm interested in your motive for putting this up. We know that 39,000 students are in our higher ed. and about 1/2 of them are out-of-state that generates, according to the current budget, about \$912 million dollars plus tuition. Now in our K-12, we have 96,000 students and about \$1.3 billion with no tuition. With those numbers, if we don't elect somebody, are we going to continue to grow in higher ed. as far as the appropriations go.



**Rep. Rick Becker:** I believe so. Again, it goes back to if we elect somebody and they understand that those that have elected that person, need to have the peoples' best interests at hand. The best education for the best value. That's clearly, in my mind, the best way to go. If you have something else that can be a political or good-old-boys club that doesn't have those interests at heart, then you end up with rapidly expanding costs for what, not better education as far as I can tell.

**Ch. Nathe:** If this were to pass, how would it structurally be better than what we have today? What is the advantage of this over the board that we have now, other than being elected by the public.

**Rep. Rick Becker:** Other than being elected by the public, which has its many benefits, we have one person; that person (he or she) is the final stop, the buck stops with them. Everything goes right to them; there is only one person accountable. Right now, we can say there is kind of one person or one group, but really what I've been reading and hearing about for years, we don't really know if the dog is wagging the tail or is the tail wagging the dog. This makes it very clear, just like in business. You have the top person; if they don't perform they are out. The next top person comes in and fixes it.

**Rep. Mock:** Logistically, if this were to pass, this would be on the ballot in 2014. The commissioner would not be elected until 2016, would that be appointed by the governor to fill until that position is elected, or for two years we would be operating under the current system even though this is in the constitution.

**Rep. Rick Becker:** My thought would be that we would continue running the process as is, until January 1, 2017, with the idea that the people that are in, know there is an end point, that they are winding down. That's the way I read it. If it does leave a void, maybe it would have to be appointed.

**Rep. Mock:** We are overstriking language, so that if this were to pass, the effective date would be 2016 to take effect. The other question I had, you said it was your intention for that elected position to be on a no-party ballot, to be non-partisan. That is not addressed in this bill. That is addressed in statute. Do you have a separate bill that would place this under the no-party ballot or would it be a partisan ballot.

**Rep. Rick Becker:** I don't have another separate bill. That was just my feeling, so if there is a certain way to handle that, I'm not privy to that.

**Rep. J. Kelsh:** Would you envision that this would go through the process like the present DPI, that there would be a letter of endorsement from the political parties and I guess my second question would be, would the qualifications be so restrictive that no one showed up to run and this bill was in effect, what would happen.

**Rep. Rick Becker:** I don't know what would happen if nobody showed up to run for governor. I think that if it were to go non-partisan and maybe there are certain caveats in here the way it is written, it wouldn't be. If it were to be non-partisan, I think there most likely would be endorsed candidates, but that just comes by the

nature of having non-endorsed. It could be a person that doesn't run through conventions and is endorsed. I'm saying that you can't avoid the process of having endorsed non-partisan candidates. I don't know.

Rep. J. Kelsh: The reason that I ask the question, is that the governor, or most offices, other than the Attorney General, don't have quite have the qualifications that you are demanding in this bill and the former bill, that they have to be top notch candidates. The other candidates are people who have had business and the money to campaign. This candidate has to be nationally recognized, renowned types of candidates, so it's different.

Rep. Rick Becker: The requirements in this bill are much less stringent than the earlier bill. It just requires an advanced degree and it has some sort of job description in there. I think the reason it can work being less restrictive than the earlier bill, is that if there is going to be a single person, no advisory board; they need to sort of know it all when it comes to higher ed. With this situation, you can have a person who is smart as all get out, and be able to run things well and efficiently, a good business person will say, and all it requires is an advanced degree. The reason that can work with fewer requirements is now you have an advisory board, so you have a couple of PhDs on the council. I'm not convinced that someone who has run through 16 years of college education and has three degrees is really going to be running the business of universities any better than someone whose got a master in political science, etc.

Rep. Rust: Do you have any comments about the fact that the superintendent of DPI, which is an elected position, was almost changed to an appointed position.

Rep. Rick Becker: I think whether it's appointed or elected would be infinitely better than what we have. I think elected is good because one of the primary concerns I have with higher ed. is the spending, and I don't think there is much of a restraint on spending if you are appointed or in the club. If you're elected by the people, and the costs are soaring, the tuition is rising; the people are going to be very unhappy. The people at the universities don't seem to mind. That's the reason I was going with elected.

Rep. Rust: I am a realist in some ways and I understand that 11 large cities have colleges and universities; they have lots of representatives and senators and they are all concerned about those schools remaining very viable and becoming an economic engine for them. I'm not so sure that it's just the fault of higher education funding is the way it is. I would submit that it is probably the fault of the legislative body because of the people who are in there and elected by people.

Ch. Nathe: Thank you. Testimony in support.

Sean Johnson: Support. The HCR in front of you, I actually had a lot to do with, I kind of wrote this up and I want to thank Rep. Becker and Rep. Schatz and Rep. Rohr for putting their names on the bill. This HCR came as a labor of love. I hate to see a once great university system that needs to become great again. A lot of that needs

to come from the standpoint that we just got to change the management and leadership style that we have to govern that university system on a day-to-day basis. I am a product of that university system. I have a lot of love for it, but I think it's time for some tough love. It's time to change the system back to one that is more directly accountable to the people of ND. I've tuned in pretty well to the issues in higher education over the past few years and I'm also familiar with the state board of higher education. I've come to the point in my personal opinion that we probably have some people that mean well that sit on that board and maybe tried very hard to make a difference, but we've also created a university system where it's not realistic any longer to ask PT people to give of their time in trying to administer and make key decisions over such a system any more. With that said the people who populate that board today, willfully accepted their positions and the responsibility that came with it. Therefore, with that, and the fact that it is a one-way appointment, there is now an environment where there has become a lack of accountability when it comes to leadership and management decisions. There are five resolutions, 3042, 3047, 3008, 3044, and SCR 4028 that you are going to consider this session, all of them taking a look at how do we manage our university system. I personally think that any of them will be better than what we have now. There are some ideas that can come out of those other bills that could be put together either in a hog house type of amendment or whatever to make this truly a great management change for the state. No matter what we decide on the format, I mentioned earlier that it will be an improvement over what we have today. The need for change has become clear, especially in these past several years, what's going on. I'll just give you a couple of examples. Dickinson State University was mentioned and their performance audit. More importantly in my mind, the concern that I had was the attempt by a chancellor who works for that board of higher education to limit the scope of that audit and to make sure that it is only one thing that gets discovered, and not all the other embarrassing things that came out of that. UND and NDSU recently also had a performance audit on student fees. We also saw a lack of adequate monitoring of capital projects for both of those universities and the bottom line, when you look at just performance audits alone, since 2004, 36% of the performance audits done by our state auditor have been on the university system or elements of it. We've also had activities within the university system where they have not been as forthright with this legislative assembly as they should be, as a public institution and public employees. A good example is the aircraft at NDSU, and attempting to conceal the ownership of that aircraft from this legislative assembly during a study which they knew darn well, had it gone through the study we would be where we are today where it looks like we're no longer going to have an airplane there for good reasons. As a pilot, whoever the aircraft is registered to, owns the aircraft, there's no trying to say that the Foundation really owns it or the money goes through here. No, the registered owner is the owner of the aircraft. We've had a 40% growth in non-teaching employees, within our system in the past decade. The question was asked earlier by the chairman, how many employees do we have. I have that answer for you. Just in the biennium 2011-2013, we had 4,173 teaching; we have 7,812 non-teaching employees within our university system. That's an imbalance that is not acceptable.

Ch. Nathe: Where did you get those numbers?



**Sean Johnson:** Those numbers were obtained from Legislative Council. We've also had dramatic increases in our tuition at our institutions. A lot of it, though, has been borne on the shoulders of our resident students themselves. At the same time, about this time last year, the information came out that \$15 million was given away alone by NDSU in tuition waivers. Most of that going to out-of-state students. The big issue of why change is needed, the graduation rates in our university system, both in the 4 year and 2 year colleges are something that we should be embarrassed by. Just in our flagship universities alone, a 6 year graduation rate at UND is 51.2%; 21.1% if it's a 4 year; 50.6% at NDSU for 6 years; 23% if they are on a 4 year. That gives you a little bit of a scope here. That is just a snapshot. The reason I bring those out is because all these issues that I talked about, the issues that you have been hearing about, are not acute, they are chronic. It's clear that there are leadership and management issues. We've all heard the saying "when you do the same things, the same way, with the same people and expect different results, you know what you get". We have to teach our kids and make them ready to become contributors to society when they come out, and make them ready for what tomorrow's society will look like. We have to do those same things. We're doing it the same way, although we are putting in some innovative stuff with IT, etc. to teach our kids. We generally switch the people up, but the problem is with the same way as our management structure. We're expecting that part time board to fix those problems that we have. I would offer that it would be done better under an elected commissioner or chancellor; however we choose to word it. That will give us the opportunity, if you will, as taxpayers who own these universities to select the best person for the job, to run and manage those universities. If they aren't doing the job, we can remove them and we have nobody to blame but ourselves as voters, at that point, if we don't remove them or we don't do the right thing by selecting the right person in the first place. Why are we trying to avoid having the discussion and the debate on the current system? If the current system of the state board of higher education is really the best system for us, then that will come out in an elected process. More importantly, by having alternatives on the ballot to discuss and debate, the electorate themselves can make a decision and debate amongst themselves what is best for ND; we should not fear that debate. We should allow the electors to have the opportunity to have a choice.

**Rep. J. Kelsh:** The numbers you gave us of the 4700 teachers and 7,000+ non-teaching positions, does that include all of the part-time student positions that work a couple of hours a day, washing dishes in food service, mopping floors.

**Sean Johnson:** I couldn't tell you that, I don't have that breakdown.

**Rep. J. Kelsh:** That may skew that number because they just work a little while and it makes a lot of W2s.

**Sean Johnson:** It might skew it a little bit too, but what I would also say is that the spread is so large that it does cause me concern about what is the true focus of our university system and the funding that they have for FTEs. I really do believe that should be directed at developing our students and making sure that they graduate in a timely manner too.



**Rep. Klemin:** We have 11 institutions of higher education. They have a budget of almost a billion dollars provided by the state, which is 27% of the total costs, so we're looking at about \$3 billion budget per biennium. With 12,000 employees and 39,000 students, administered and controlled by a part time volunteer board, which can only be removed by impeachment, is there something wrong with that picture.

**Sean Johnson:** The latter part of what you said, there is a huge problem with it. Anybody that has been given the authority to make the critical decisions over the budget the size you are talking about, and we have no way to remove them except by, basically a nuclear option, that's a huge problem. I was going to try and correlate the fact that the spending as a whole, which a lot of that goes to salaries and to pay people has gone up close to the amount you are talking about, but the enrollment increases was only projected back in this session to only go up .4% over what it was. The point is that this is a huge gap between the amount we're spending, a lot of it going towards people, and the actual enrollment of students is. I'm not saying enrollment should be our metric. I think we are over-enrolling a lot of students who aren't ready for college.

**Rep. Heilman:** You referenced waivers and the example you used was of NDSU, so I do need to explain perhaps the difference. We looked at this issue in depth in the interim higher education committee, and there are significant differences in how waivers are reported at our campuses. NDSU did have a large amount of waivers, but essentially there are two things that can drive how waivers are reported. One way to think about it, you have the car manufacturer's suggested retail price, and that's generally never what you pay for the car, so the discounted amount is the waiver in this example. Institutions will have a posted rate of whatever a program may cost and then to attract students in to particular programs they will waive the amount down. A waiver does not mean that they are not paying. They are still generally paying for that education; the full tuition isn't being waived. Sometimes in the graduate student case, they are waiving the full tuition, but that's kind of like compensation for working in research. The board can approve a posted sticker price reduction. NDSU hasn't had any. They go by statute which says that programs need to be, in particular for international students need to be posted at a 267% of residency rate. It's an arbitrary number that the board and everybody else involved, realizes as not relevant. The other thing that can drive waivers is 3<sup>rd</sup> party agreements. So in the case of UND, they have contracted with some governments in Asia that send students to the flight school, for example, but the student himself does not pay the tuition. The government or another agency will pay the tuition, and even though they are getting the same rate, it would be considered a waiver, but because a 3<sup>rd</sup> party is paying it and not the student, it's not posted as a waiver at all. NDSU chooses to take payments only from students directly, not from 3<sup>rd</sup> parties. That also drives up the waiver numbers. This skews NDSU's waiver numbers where if they were actually following some of the other practices at other universities, that number would be significantly lower.

**Sean Johnson:** Thank you for the clarification. I think the point I want to clarify is that we seem to favor, as a management and leadership practice within our

university practice, more financial type of waiver assistance to those that are not beholden in ND at the expense of those that grew up here, and chose to stay here to go to college and hopefully will stick around to make their families and careers here. That's a management practice that is out of step and out of touch.

**Rep. Delmore:** You seem to think that change of any type always guarantees something better. As I look at this, we still have a part-time advisory council, that aren't paid and treated no differently than what our board is right now. What type of office do you envision? You are giving a lot of power to one individual. I would think that he is going to need quite a staff to take care of 11 different institutions. The 15,000 employees that we have, PT and FT. What type of salary would this person get and what type of office would we set up for him.

**Sean Johnson:** As far as the amount of money, other than being a concerned taxpayer who is concerned with how we spend our funding as a whole, out of the general fund, I have to trust our legislature to make sure that it is a competitive pay and benefit package to make sure that whoever ends up winning the election, we're promoting and encouraging the best candidates to apply. Hopefully they aren't motivated by money but at least we are going to make it worth their time. I do believe, as was pointed out in a recent audit that came out last week, of the university system itself, and just for example, look at auditors, the university system as a whole, has already been assessed to have what they need probably to run this university system. It is just where we have the pegs. If we are drawing from what the internal resources of the university system office has and the institutions as a whole, we probably have what we need. We need a true leader that knows that they are accountable to the people, and can be removed in the next election or could be impeached, theoretically to know who they are working for. That will probably bring us some of the efficiencies we are looking for. As far as the PT board, this PT board is advisory in nature and is there to basically be a gut check for that elected official. The responsibility will no longer fall on their shoulders. So the responsibility that they have now to be completely plugged into what is happening in our university system, while they are trying to manage everything else in their life isn't as stressful. Right now, they can give of their talents, give the advice they bring to the table for that commissioner/chancellor and then that person is ultimately responsible for the decisions that are made.

**Rep. Delmore:** We have elected officials, one of whom I can think of that I don't think has a totally clean audit since they began. I understand what you're saying about audit reports, but I don't think electing someone makes that happen. I want to know what kind of a department and size that this new entity is going to have. When we added the Dept. of Commerce, it started out very small, and it is a very large department now and it's a very pricy department. Do you see that as maybe happening with this as well?

**Sean Johnson:** Again, I am just a common Joe taxpayer. I would want that department to be as big as it needs to be but not any bigger. The way that I choose to look at things and I've learned through my leadership development both in the military, the private sector and now working where I do in state government, even

though I am not here in that capacity today, is that you first look at what are the outcomes we want to achieve and that would be set by the vision of that leader with the assistance of that advisory council. Then we would look at the methods to achieve those outcomes. The last thing we look at is the resources and that would directly relate to FTEs and funding required. If it's not adequate, and again, I believe a lot of this lies with you as legislators to decide, these are all great things you want to achieve but you need to cut back or we'll give you the funding you need to achieve them to include FTEs.

**Ch. Nathe:** Where do you work?

**Sean Johnson:** I work for the state but not with education. I do have extensive backgrounds in lots of foundation, leadership and management.

**Ch. Nathe:** Thank you. Further testimony in support of HCR 3042.

**Dustin Gawrylow:** Support. I think the issue here comes down to where does the buck stop. We know that the status quo does not work because we've seen for the last decade a revolving chain of college presidents being in scuffles with chancellors and chancellors being in scuffles with college presidents, and the board being involved, and by the time each one of those situations works its way around, we are on to the next scandal and nothing has been done about the previous one. It seems like the status quo just simply is not working. Something does need to be done. I would suggest that instead of looking at the appointed vs. elected as two options and you have to go with one or the other, I believe that the way the law says about ballot measures, if there are two measures that have conflicting approaches, whichever gets the most votes in favor is the one that wins. You would have to check that just to make sure, but I believe that is how it ready. Perhaps the solution rather than trying to come up with what is the better approach here yourselves, come up with the best way to do each of these approaches is and put them both on the ballot and let the people decide. I think that might be a way to really get the discussion going and allow for a broader discussion of what the real solution is because right now, the buck simply does not seem to stop with anyone. If that person was appointed or elected, that would change that situation and in the end that is what we are all looking for, to know where that buck stops.

**Ch. Nathe:** Thank you. Further testimony in support. Testimony in opposition.

**Laura Glatt, Vice Chancellor, State Board of Higher Education:** Opposed (see attached #1). There are a couple of things that I think I can answer that were asked earlier. There was a question of per diem reimbursement for the student member. Currently we don't reimburse the student member the \$100 per day that other board members get, but the board has implemented a policy to provide a full tuition waiver to the student representative of the board during their term. There was also a question about the term of chancellor vs. commissioner. I went back and refreshed my memory, and it was in 1990 that the board created a unified system of higher education and designated the CEO of the system as the chancellor at that time. Later then, the legislature in statute does recognize and use the term "unified system



of higher education" but the statute does not specifically reference chancellor. That's a board designated term. This session, Legislative Council and all of its amendments is trying to revert back to the term "commissioner" as it relates to the statute. There were questions relating to FTE employees and I will provide history (see attached Information). We do have more non-teaching employees than we have teaching employees. A couple things to keep in mind, first of all, our faculty are predominately funded by state general fund dollars. The state general fund support is used to fund the instructional mission of the institution. The non-instructional employees largely will be those employees funded by research grants and contracts, they are not teaching faculty generally, they are full time committed to research projects, working on behalf of the grant. Then also all of our support positions, auxiliary individuals operating the residence halls, the food services, the parking, all of those would be non-instructional as well as the students. It was also pointed out that we're very heavy in the salary line item. We are a very labor intensive business and so most of our expenditures are in the salary line item because without the faculty in the classroom and the researchers, we wouldn't have a business to operate. There was also a comment about tuition waivers, and I appreciate the explanation on tuition waivers, most of them are not FT tuition waivers and over half of our waivers, both full and part-time go to ND residents. Also, in regard to funding increases and again we're very appreciative of the budget that's before you this session. Something to keep in mind is that a large part of that budget increase is to fund policies put in place by the legislature. So you will see a large part of the budget is to continue salary increases for employees and benefit increases that were instituted by the legislature last session. Also for salary and benefit adjustments for employees in the next biennium. In addition to that, there is a very large increase in the budget to address the funding differentials that Rep. Carlson alluded to earlier. That is, we have some institutions that are trying to catch up in their funding status and so there is a large increase in the budget, in the governor's new funding model to make up for those funding differentials.

Rep. B. Koppelman: When you give us the data about the FTEs, maybe you can tell us the FTEs, break them up into those who that are paid by state dollars or tuition dollars as one category and those that are grant funded as another.

Laura Glatt: We can do that. The state general fund and tuition funded positions will be lumped together. We have no way of separating those out.

Rep. Klemin: I've heard it mentioned that there are some full-time faculty positions where those persons do no actual teaching. Is that correct.

Laura Glatt: I honestly don't have any data to answer that question.

Rep. Klemin: Is that data you can obtain, because if we are talking about full-time faculty positions, I would like to know if there are any that are simply researchers, etc. that are considered faculty. I'm not just talking about undergraduate programs but graduate programs also, where they are located and how many there are.

**Laura Glatt:** It wouldn't surprise me if we had individuals that had the rank of faculty but may not be teaching, either on an interim short-term basis or permanent basis, so one of the dilemmas that we get into is whether the individual has faculty rank or not. That may not always mean that they are a FT classroom instructor, but they still may be classified as a faculty member for employment purposes. So we may have that situation in part. Then certainly there are occasions where the faculty member, because of other assignments, may move in and out of the faculty ranks on any given semester, in a given year. I will see what we can find.

**Rep. Heller:** You mentioned that half of the tuition waivers go to ND students. Is there a way you can tell me in dollar amount, not in how many, but in dollars, how many dollars are waived for ND students and how much is waived for out-of-state or out-of-country students.

**Laura Glatt:** Yes, we can provide that.

**Ch. Nathe:** Do you have data on those waivers, of those students that stay in ND a year later after graduation.

**Laura Glatt:** We have in the past done a follow-up report of our graduates, so we know about what percent of the graduates stay in state, but we don't necessarily measure that only for the population that gets waivers.

**Ch. Nathe:** If you information on that, that would be wonderful.

**Rep. Brabundt:** We all know that the chancellor makes \$349,000/yr. What is your salary?

**Laura Glatt:** About \$178,000/yr.

**Ch. Nathe:** Thank you. Further testimony in opposition. We will close the hearing.

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

HCR 3042  
March 12, 2013  
19791

☐ Conference Committee

Committee Clerk Signature



## Minutes:

**Ch. Nathe:** Let's take a look at HCR 3042. This is for the elected position for the higher education commissioner.

**Rep. Rust:** I would hate for the general public to have two bills, on the same subject, go to them, because they will have to wonder what kinds of people in the legislature down there can't make up their mind about something either. I move a Do Not Pass.

**Rep. J. Kelsh:** Second the motion.

**Rep. B. Koppelman:** Which bill would Rep. Rust suggest we give them the choice on or is he saying that the public should not have a choice?

**Rep. Rust:** We have already determined that. We just passed out HCR 3047.

**Rep. Meier:** Perhaps since Rep. Rust voted against 3047, maybe he's favoring 3042.

**Rep. Rust:** In response to that, no I am not favoring that. I still have confidence in boards because the boards I have worked with, all of them are people who work really hard to do the job right. I have a lot of confidence that they do it. I think we are just going to trade one set of problems for another set of problems.

**Rep. J. Kelsh:** Most times, we questioned each other's thinking a little less quietly.

**Ch. Nathe:** Clerk will call the roll on a Do Not Pass on HCR 3042.

9 YES 4 NO 0 ABSENT

DO NOT PASS

CARRIER: Rep. J. Kelsh



Date: 3/12/13  
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 3042

House EDUCATION Committee

☐ Check here for Conference Committee

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

Action Taken: ☐ Do Pass ☐ Amended ☐ Rerefer to Appropriations  
☒ Do Not Pass ☐ Adopt Amendment

Motion Made By Rep. Rust Seconded By Rep. Kelsh

Representatives	Yes	No	Representatives	Yes	No
Chairman Mike Nathe	✓		Rep. Bob Hunsakor	✓	
Rep. Mike Schatz		✓	Rep. Jerry Kelsh	✓	
Rep. Joe Heilman	✓		Rep. Corey Mock	✓	
Rep. Brenda Heller	✓				
Rep. Dennis Johnson	✓				
Rep. Ben Koppelman		✓			
Rep. Lisa Meier		✓			
Rep. Karen Rohr		✓			
Rep. David Rust	✓				
Rep. John Wall	✓				

TOTAL (YES) 9 (NO) 4 (ABSENT) 0

FLOOR ASSIGNMENT Rep. Kelsh

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

**REPORT OF STANDING COMMITTEE**

**HCR 3042: Education Committee (Rep. Nathe, Chairman)** recommends **DO NOT PASS** (9 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). HCR 3042 was placed on the Eleventh order on the calendar.

**2013 TESTIMONY**

**HCR 3042**



# North Dakota University System

## HCR 3042--March 11, 2013

For the record, my name is Laura Glatt, Vice Chancellor for the ND University System. I submit these comments for the State Board of Higher Education in opposition to this bill.

HCR 3042 proposes a significant change in the governance and management structure for education in North Dakota. As I am sure all of you are aware, the State Board of Higher Education was established by constitutional mandate in 1938 as a result of then governor William Langer's political interference with the instructional staff and President of NDSU. That political interference resulted in NDSU losing its accreditation. Following that, the citizens of the state rejected having politics drive the policies of higher education and amended the constitution to create a board that would take the politics out of higher education governance. The result was the governance structure we have today. Under the current structure, three candidates for each board position are nominated by legislative and governmental leaders. One of those three is then appointed by the governor and that appointment is approved by the senate.

Having a true governing board with representation from across the state to actually make policy decisions provides for a far greater range and depth of input and decision-making, than does an "advisory council". Further, HCR3042 creates the higher education commission position as an elected official, with a term limit not to exceed eight years. An elected position creates the opportunity for political influence, which was clearly rejected by voters in 1938. It also puts at risk and limits continuity in a vital position that should be focused on accomplishing its mission through long-range vision for higher education in North Dakota. While we need to plan for tomorrow, next year and the next biennium, we also need to plan for the next decade as well. North Dakota's colleges and universities have been around for over one hundred years. If we want to succeed for the next one hundred, we must think and plan in the long term as well.

Only through a board authorized to set policy can the interaction and collaboration of the institutions within the system be encouraged, both thorough policy and budgetary means. Although these functions could be done by a single individual, having a true governing board with representation from across the state to actually make such policy decisions provides for a far greater range and depth of input. Board actions are transparent as required by ND's open meetings laws. Further, the tasks of developing and approving a budget, hiring presidents and a chancellor, setting compensation for the presidents and chancellor, approving academic programs, and approving capital project requests are best achieved with input and action from a board which has cross state representation and is not monetarily vested in the outcome, rather than a single individual empowered to act without any constraint.

The Board understands that the citizens of North Dakota value access to high-quality, affordable higher education. They understand that education has the power to change lives – the lives of students in our classrooms and the lives of everyone in the state. They understand that an increasing level of education will contribute to the development of North Dakota's targeted industries and the quality of life in our communities.

The bottom line is – Are the distractions, uncertainty and political influence that would result from the proposed reorganization in the best interest of North Dakota's stakeholders: its parents, students, employers and taxpayers? We do not believe so. Thank you for your thoughtful consideration.

## Education Excellence

December 2012

## Employees

*The North Dakota University System employs more than 7,300 full-time equivalent (FTE) faculty and staff. This number includes about 2,100 faculty as well as more than 5,100 staff who provide services in areas such as student housing, food services, counseling and maintenance/physical plant.*

North Dakota University System Full-Time Equivalent Employee Count <sup>1/</sup> October 2012					
Campus	FACULTY		STAFF		Total
	Full-Time	Part-Time	Full-Time	Part-Time	
BSC	121.00	4.22	194.00	7.48	326.70
DCB	24.00	2.00	45.00	2.00	73.00
DSU	90.44	2.70	125.80	9.54	228.48
LRSC	31.50	8.16	67.81	3.45	110.92
MaSU	44.00	.50	140.12	3.50	188.12
MISU	164.94	7.35	262.90	18.82	454.01
NDSCS	112.00	6.55	205.00	3.70	327.25
NDSU <sup>2/</sup>	533.80	117.90	1,660.68	105.16	2,417.54
UND <sup>3/</sup>	705.45	50.08	1,938.41	87.62	2,781.56
VCSU	64.25	0	115.71	4.37	184.33
WSC	30.20	2.25	74.85	5.70	113.00
SITS	0	0	79.00	0	79.00
NDUS Office	0	0	26.00	0	26.00
<b>TOTALS</b>	<b>1,921.58</b>	<b>201.71</b>	<b>4,935.28</b>	<b>251.34</b>	<b>7,309.91</b>
<sup>1/</sup> Excludes temporary faculty and staff					
<sup>2/</sup> Includes Agricultural Experiment and Extension					
<sup>3/</sup> Includes School of Medicine and Health Sciences					

FOR MORE INFORMATION CONTACT:

**Laura Glatt**, Vice Chancellor for Administrative Affairs

701.328.4116 [laura.glatt@ndus.edu](mailto:laura.glatt@ndus.edu)

## NDU\_HR\_EMPLOYEECOUNT - Employee Cnts by Business Unit

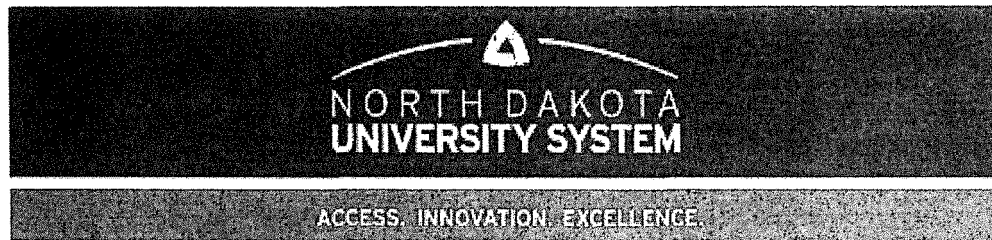
As of Date: 10/31/2011

[View Results](#)Download results in : [Excel Spreadsheet](#) [CSV Text File](#) [XML File](#) (7 kb)[View All](#)First [1-13 of 13](#) Last

	Unit	Faculty FT	Faculty PT	Non-Broadband FT	Non-Broadband PT	Broadband FT	Broadband PT	Temp Instruct	Temp Non-Instruct	Student	Total
1	BSC01	123	5	14	0	179	9	218	138	109	795
2	DSU01	91	3	15	5	126	12	133	19	207	611
3	LRSC1	30	10	8	0	61	8	103	54	67	341
4	MASU1	42	1	11	0	128	5	14	44	198	443
5	MISU1	170	10	46	3	211	19	83	174	539	1255
6	MISUB	24	2	2	0	44	3	54	21	49	199
7	NDSCS	114	9	16	1	187	9	141	134	301	912
8	NDSU1	530	149	333	41	1418	125	476	1092	2048	6212
9	NDUSO	0	0	9	0	17	0	0	1	0	27
10	UND01	696	68	151	9	1799	127	639	758	2274	6521
11	VCSU1	66	0	22	0	90	5	53	37	221	494
12	WSC01	33	4	4	2	65	8	79	20	36	251
13	~ TOT	1919	261	631	61	4325	330	1993	2492	6049	18061

Faculty 1919  
261  
Instruct 1,993  
4113

18,061  
6,049  
12,012



## **Policies and Procedures**

### **SBHE Policies**

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**SUBJECT:** 600s: Personnel

**EFFECTIVE:** November 19, 1999

**Section:** 606.1 Classification - Higher Education Employees

1. All employees within the North Dakota University System, except those excluded by subsection 2 of this policy, are subject to the broadbanding system as described within the North Dakota University System Human Resource Policy Manual.
2. Those excluded from the broadbanding system are: faculty; coaches; the chancellor, vice chancellors and system office professional staff; presidents, provosts, vice presidents, and other employees of the institutions holding positions the institution president has excluded from the broadbanding system by designation.

#### **History:**

New policy. SBHE Minutes, June 7-8, 1984, page 5256.  
Amendment SBHE Minutes, September 20, 1991, page 6162.  
Amendment SBHE Minutes, June 25, 1992, page 6254.  
Amendment SBHE Minutes, January 20, 1994, page 6427.  
Amendment SBHE Minutes, May 12, 1999, page 6984.  
Amendment SBHE Minutes November 18-19, 1999.

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## CHAPTER 15.1-13 TEACHER LICENSING

### 15.1-13-01. Definitions.

For purposes of this chapter:

1. "Administrator" means an individual who holds an administrator's credential and who is employed by the board of a school district for the primary purpose of providing administrative services to the schools of the district. The term includes a school district superintendent, an assistant or associate school district superintendent, a school principal, an assistant or associate school principal, a special education director, a director of a multidistrict special education unit, a career and technical education director, and a director of an area career and technology center. The term may include an athletic or activity director who meets the requirements of this subsection.
2. "Board" means the education standards and practices board.
3. "Profession of teaching" means providing services in an approved school as a teacher, counselor, librarian, curriculum director or supervisor, speech or language therapist, school psychologist, special educator, or administrator.

### 15.1-13-02. Education standards and practices board - Membership.

1. The governor shall appoint to the education standards and practices board:
  - a. Four individuals who are public school classroom teachers;
  - b. One individual who is a nonpublic school classroom teacher;
  - c. Two individuals who are school board members;
  - d. Two individuals who are administrators; and
  - e. One dean of a college of education or chairman of a department of education.
2. The superintendent of public instruction or the superintendent's designee shall serve as a nonvoting ex officio member.

### 15.1-13-03. Board compensation.

Each member of the board is entitled to receive compensation in the amount of sixty-two dollars and fifty cents per day and to reimbursement for expenses as provided by law for other state officers while attending meetings or performing duties directed by the board. A member of the board may not lose the member's regular salary and may not be required to refuse the compensation to which the member is entitled under this section for serving on the board.

### 15.1-13-04. Term of office - Vacancy.

The term of office for a member of the board is three years, beginning on July first of the year of appointment. No person may serve for more than two consecutive terms. If a vacancy occurs, it must be filled for the duration of the unexpired term in the same manner as an original appointment.

### 15.1-13-05. Officers.

The board annually shall select a chairman and a vice chairman. The executive director of the board or the executive director's designee shall serve as secretary.

### 15.1-13-06. Meetings - Notice.

The chairman of the board shall set the date and time of the board meetings and shall provide at least ten days' notice of the meeting to all board members. The chairman shall call a special meeting when requested to do so, in writing, by a majority of the board members.

### 15.1-13-07. Quorum - Revocation requirement.

1. A majority of the board constitutes a quorum.
2. Except as otherwise provided in this section, a majority of the quorum at any meeting has the authority to act upon any matter properly before the board.