

**2013 HOUSE EDUCATION**

**HCR 3047**


# 2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

HCR 3047  
March 11, 2013  
19664

Conference Committee

Committee Clerk Signature



## Minutes:

**Ch. Nathe: We will open the hearing on HCR 3047.**

**Rep. Al Carlson: Sponsor, explained the bill (see attached #1). This Resolution is a constitutional measure. Your responsibility is to decide whether this is a measure that should go forward to the voters of ND and the correct form that it should be in when we do that. As you know, they can initiate that or we can initiate that. This happens to be one that is legislative initiated. Last session I brought a bill before the Constitutional Revision Comm. and Education Committee that dealt with creating a Dept. of Education and that included K-16. Well, we passed it in the House, it was defeated in the Senate and the major objection was that it was too big and too broad of a sweep to put everybody under one administration. This bill deals strictly with creating a Dept. of Higher Education. This is not here as retaliation, this is not here because of all the items in the news lately about the Chancellor, about the Board, the diplomas at Dickinson, or campus buildings, etc. This is about governance of Higher Education for the next 20, 30 or 40 years. As you know, the Board of Higher Education was established in 1938 in reaction to a Governor Bill Langer, who decided that he was going to go back to NDSU and fire 6 or 7 professors because he didn't like the way things were transpiring on the campus. They put it to a vote of the people and the vote was kind of interesting back then; 93,156 to 71,448 to approve a Board. Article 54 of the constitution of the state of North Dakota, outlines the duties of the Board of Higher Education. Over that period of time, there has been a lot of transformations to the Board of Higher Education and the institutions of higher education. That particular measure listed all the missions of the schools. There are schools that are not even in the constitution that we have created since 1938. I will walk you through this measure. It creates a Dept. of Higher Education; it becomes a cabinet level position under the Governor. It says "The department of higher education is created for the purpose of overseeing and administering the provision of public higher education at sites that include Bismarck, Bottineau, Devils Lake, Dickinson, Fargo, Grand Forks, Mayville, Minot, Valley City, Wahpeton and Williston". All of our institutions are listed and the towns that they are in. Their missions are not listed because I think you need flexibility for the future to decide what those missions may be. If you really wanted to follow the intent of the law I suppose that you could say that they could only have teachers graduate from Valley City State, or from Minot State, or Mayville; that was the original mission they had for them. We all know that they are a lot more than that as you go to those campuses**

today. It would go in the Executive branch of government; it clarifies any issues regarding the independence of the fourth branch of government. The fourth branch of government has always been a debate that we've had with the Board of Higher Education. Many times when they come to testify, we will hear them say, that this bill contravenes the spirit of article 8 of the ND Constitution which grants the Board of Higher Education full authority under the institutions under its control. Then they talk about the fact that we do not have the authority as the Legislature, basically to address anything other than funding. I tend to disagree with that because if you read further into the article 8, where it says the State Board of Higher Education shall have full authority to organize or reorganize within constitutional and statutory limitations. So we can have that debate all we want, but in the end the Legislature has a very inherent responsibility in the governance of higher education. We have the one very important thing that they need and that's the money. So what is our responsibility? I believe that this does not create micromanagement. You are going to hear some testimony against this that says we were established because you monkeyed with it in 1938, that was the case then. Since that time, we have established all kinds of policies including a round table, which we were guaranteed flexibility with accountability. I am not going to spend a lot of time making the point of whether or not we got our half of the deal or not. The point is, as you go through the rest of the bill, hopefully it will describe what I feel are some of the roles of this new administrator and the role of the campus presidents, because that has always been a debate. What is the role of those two entities as you go forward? Subsection 2, "The governor shall appoint the director of the department of higher education, who shall serve as the chief executive officer of the department." Notice he's not called the chancellor, he's called the chief executive officer of the dept. He is gubernatorially appointed and the ultimate accountability for the performance of the director and the operation of the department rests with the governor. I suppose you could make the argument of why in the world would we give him that authority. We've done that in many cases. In my 20 years here, there has been a huge transformation in the workers compensation area and the way we provide benefits. We went from a system that had as many as three directors over the years, to then having one; to having problems when the fund was in dire straits. So we established a board, an independent board, similar to what the board of higher education has. We established that board according to the population, according to the governor, but it was wandering and not getting the job done. They put it on the ballot a few years ago, and they returned that to an executive level position. They felt it was better controlled by an executive branch than it was to have an independent non-elected board running it. I supported the board idea at that time, but if the board loses its mission, you should probably address what the board does. This is no different than the model that the public has voted for and established underneath the workers compensation bureau. Another part of that section, "The appointment must be for a term of three years and may be renewed for like terms". In order to attract the high caliber individual one would hope to have at the helm, there would need to be a guaranty of job stability. I agree with that. I think one of the problems we have today, and I don't know what you are getting back in your own communities, but there has been a real shift in policy and if you ask a college president, who by the way is really not supposed to talk to you, if you did ask them on a private conversation, most of them fear for their jobs, because they have been told that they



are either not qualified or that they are insubordinate. I don't think that is the way we want to run the system. "The director may be removed by the governor for cause". I think that's important. The decision needs to be focused on what is best for the system and the students. Here is the missing ingredient that Rep. Heilman and I were talking about before we came in here today; in almost all discussions there is no mention of one key ingredient and that's the students that we serve. What is their role in this system and what are we trying to provide for them. Do we want a higher graduation level, do we want a more flexible curriculum that allows them to fill the needs that are in the workplace today. If you answer yes, then you are probably saying that we are missing the boat. We don't need any more shiny reports. We need accountability and results. The focus should not vary widely with political allegiance; however, if there is a legitimate reason to dismiss the individual, this can be done. Again, I don't want to get into the personalities that are running it today. The newspaper is full every day of information about higher education. I'm sure that they don't appreciate being on the front page either. Subsection 3, "The director must: a) have a dossier that reflects national stature as a scholar and leader". I tried to keep this as short and simple as possible but it does list some requirements; by requiring that the director be nationally recognized as a scholar and a leader, this should ensure that the individual will bring a level of academic achievement to the position. The director must "Have a record of senior level managerial experience in education, business, the public sector, or government." The director will be running a very large and well-funded department. It is important to ensure that the individual has a track record of significant managerial experience. It's no longer a little deal; it is a big deal. The director must "Be uniquely familiar with the broad spectrum of higher education administration and delivery; and the dept. of higher education will be administering everything from a two year community college to doctoral and research institutions. These are some of the things that he is expected to do when he's there. They are very different entities with extremely different needs and challenges. The director must "Be committed to the development and maintenance of an education system that provides opportunities for students, through academic pursuits and technical training, to meet the educational and workforce challenges of the current decade and beyond." One thing that we overlook is that we have all sorts of it in our government, if you went through the budget and identify all the workforce development that we spend money on, between the federal government and the state it's in the hundreds of millions of dollars in addition to what we provide, which I believe is our biggest work force generator and that's the colleges. That is their function, to create a well-trained work force. This is a suggestion that the director will have to operate the system, not 10 independent fiefdoms. In subsection 4, "The director has full executive responsibility for the management and operation of the ND university system, within constitutional and statutory requirements and limitations." There is a role for the legislature here. If you look at the measure itself, it's by no means as long as the one it is replacing and obviously there is a repealer in here. It needs to engage the legislative process in this whole system as far as what we expect for the tax dollars that we spend. "The director shall hire a president for each institution within the system and each president shall report to the director". The director hires each president and can fire each president. This is about a chain of command when we are all done. That includes the authority to establish job descriptions and

expectations. What do you expect out of the president of the NDSCS; UND has a very large research institution with a wide range of areas. It would set up a clear chain of command. The governor would be at the top of the pyramid, the director would be second, the presidents would be third, and it would also at the bottom clarify the role of the legislative assembly and the laws that we make that they would have to follow. Any other details that would go along with this measure would need to be worked out by legislative action and examples of that would be "how you establish legislative search committees", "presidential search committees", or if you set up "advisory councils" that would be that position instead of a board; personnel matters those are just some examples that would be set up legislatively. Quite obviously at the bottom of all that is the money we spend. I want to highlight what has happened to higher education since 2003. I think section 2 is the repealer of section 6, of article 8 of the constitution, that repeals the section on the board of higher education and the last part of that is the effective date. The election would be held in the fall of 2014, with the effective date of this being on July 1, 2015. This isn't something that happens overnight. This is something that would take time and if it goes before the voters because both chambers have approved it, it would be on the fall 2014 ballot. The reason for that is that I think the most people that vote in elections would be the people to vote on this, not the primary election where we get very small turnouts, but it should be when we would get the largest amount of voters to vote on a pretty major change. Unless you sit in Appropriations, you might not understand the amount of money. When I started here, we talked millions and hoped we had a few left over. Now we talk billions and wonder where it all went. If you look, especially in the last two biennium's, you will see that the current budget of \$912 million, getting close to the billion dollar mark, but that number does include about \$160 million of building construction. That's total funding going into higher education. It does not include the extra \$53 million that they put in. So if you add that on to there, it would really be \$965 million if you added the extra \$53 million that the Senate put in for the finishing of the full project to the UND Medical School. So here we are at most a 38.7% increase and for us, whether it all went into academics or buildings, for us it's still a number we have to approve, \$965 million and you will notice that that is a 38.7% increase in funding and we have a projected enrollment increase of .4%. Now if you were a mathematician, you would probably say that's probably not the best investment for those few extra kids going into that. The point is, some of that is one-time funding, but it's also a long-term commitment. The only thing you can ever back out of that number is the buildings, because that would be forever and ever and ever. We still hear, in case you haven't noticed, that our tuition is too high and it continues to rise on our campuses. I want you to know that it isn't because we haven't participated. Follow from 2007 on, from \$472 million, which included building projects; it's doubled from 2007 to 2013-15, the state's commitment to higher education. In my opinion, we should never be accused of not being willing to fund what we key is an important part of the educational system for the youth of ND. We continue to do that. There are always going to be questions when you have a major change like this. I'm sure you are going to hear from somebody from the Board that is going to have an opposite opinion of what I have in this process. I like the fact that this individual will be a cabinet member and he can be removed for cause. I believe that, by that, and if you look at the criteria that we put in the bill, that the absolute best person is going to be hired for this position; when you look at the



skills he must have, that we're putting into the constitution, whereas an election, as much as it is popular as all of us are and we win at home, it should not be a popularity contest, it should be about hiring the best CEO that you can find to run a billion dollar business. The next bill you are going to hear is going to have a different process where they are elected. I believe in the appointment process and have the cabinet level and a very set chain of command of who is in charge. Some ask, "What is the role of both the director of higher education and the president of an institution". These are my opinions as to what are the roles of the president of the institution. He serves as the chief executive administrative office of the institution; serves as the academic leader of the institution; annually establishes strategic goals for the institution subject to the approval of the director of higher education; provides for an appointment evaluation and removal of all institution personnel; recommends to the director of higher education appropriate compensation for all personnel responsibilities; establishes job descriptions and goals for the personnel; responsible to the director of higher education for the effective and efficient operation of the institution (I don't think that's expecting too much); develops and recommends to the director of higher education an institutional budget, including tuition and fees and all capital expenditures (again, that top guy is going to bring that to the legislature but that's the responsibility of the campus presidents to put that together); then he provides an annual report to the director of higher education regarding the work and condition of the institution; provides other reports to the time and the manner required by the director; and he performs all duties assigned or delegated by the director of higher education. So then what's the job of the director, the person that the governor goes out and interviews and hires the best qualified candidate? Here are some of the requirements for the director of higher education. He serves as the chief executive officer and administrative officer of the department and in that capacity ensures the integration and coordination of higher education delivery by the public institutions of this state. He's on the line for all of these 11 presidents at the 11 institutions. He serves as the academic leader of the public institutions. He annually establishes strategic goals for the public institutions and is subject to the approval of the governor. He provides for an appointment, evaluation and removal of all Dept. of Higher Education personnel, provides for the compensation of all the Dept. of Higher Education personnel, and provides for appointment, evaluation and removal of all presidents. Establishes job descriptions and goals for all institutional presidents, manages and controls all state property and capital projects pertinent to the public institutions. This flows up to him from the guys below; approves institutional budgets including tuition and fees and all capital expenditures. Last session we were going to cap tuition at 2.5%; that's enough. We're putting more money into higher education; these kids are saying that it's too much, even though if you look at our regional costs, we're pretty darn competitive on our higher education costs. So they told us not to put it in Code; telling us that they won't go over that and we weren't home for three weeks and there was a very large tuition increase at one of our institutions. That really didn't set well with a lot of people. Then the next time they came back in, the same institution, and asked for a very small increase, they were told "no", which was actually a realistic amount that they should probably have gotten, but there was a difference there because now they were afraid of what we were going to do and how we were going to respond to that. I don't think that is the way that we should be doing business.

The last duty is to recommend budgets and capital projects to the Governor would be the Executive Director's position. He is to monitor and coordinate legislative matters and interactions with those state agencies. Here is where we probably have the biggest gap in today's system. It is a very simple measure, originally we had it set up last time when we had a very complicated council, not a board, but an advisory council and we had to have so many of this and so many of that and so many of these, and right now that would be a legislative decision as that goes forward as to whether or not the governor recommends one, we would establish one in statute, it would be our decision to do that. I have tried to give you a high level overview of what I think the responsibilities are of the key components being the presidents and the executive officer of the Dept. of Higher Education. I would hope that we would put this forward to the voters and let them have a chance to weigh in on all these matters, that they've seen and heard from both us and the media about what is happening in the state higher education of ND.

Rep. Delmore: Are there any other states that have a model similar to this, where the governor has the power to appoint and we put so much power in the hands of one person who is the executive director of higher education.

Rep. Carlson: I didn't look for any other models. I didn't ask to see if any other state had this model. I can tell you universally, if you go to state conventions and you talk about higher education, everyone throws their hands up. We're not alone in dealing with the issue. There's no model, I didn't take this from anywhere else. I think that for North Dakota, without 700,000 people and 11 institutions it's a good model. I don't fear whether a Democrat sat in that office or the Republican sat in that office, because I believe the criteria is very clear that they have to have some significant skills to run the system. The rest of it is left up to legislative statute that we can make. I personally think that we have had far too much of a hands off attitude. We don't need to know who is teaching history class at NDSU, but we should know how many kids are graduating and what time they are graduating. They will tell you that they have all those things, but those numbers are not absolutely outstanding. We need to have great expectations for a billion dollars' worth of expenditures. I do not fear who would be in that office, but that's obviously a legitimate question.

Rep. Meier: You settled on a term of three years, why three years.

Rep. Al Carlson: It could be four years, it could be six years; it would never, because of the way the timeline starts, it would never coincide with the governor's term. That was a logical time frame. We felt that no one would take the job unless they had at least a six year period of time, they can have a renewal. They can have three years and a renewal of an additional three. If you want to hire the most qualified person, the last thing they need is the insecurity of not knowing if they are going to be gone tomorrow. If you sign a three year contract with them, that's a pretty significant time. I don't know if that is the right number or not; but it does not, because of when the term starts in July 1, 2015, it doesn't line up with anybody's election term. The next governor election is in 2016. It is probably best that it doesn't. It might be less political that way. Hopefully with the guidelines in place, it makes the best person be the one that is picked.

**Rep. Hunsakor:** Under the current system, the chancellor has the full responsibility for the management of the university system, full responsibility for hiring presidents and under 3047, we would have one individual, the director responsible for that. What are your thoughts on a board with several individuals on it to make those decisions vs. one person?

**Rep. Al Carlson:** If you read the new board minutes, and I didn't bring them with me, the board has gone from two different things; 1) with a very hands-on approach in the prior chancellor to 2) a very hands-off approach in the new chancellor. If you read through their minutes, he is given a great deal of latitude to hire or fire, but final vote still comes from the board. I don't see that as being a problem with the way this is, because if you're doing a poor job, your performance would be evaluated and if you're not doing a good job, you will probably fire them if they are doing a bad job. Right now, you hear all the discussion of buying people out. In fact, the bills coming to us in this Chamber, an appropriations bill with a buy-out in it. I'm not sure that that's the right way either. I don't see that as a problem in the way it is crafted.

**Ch. Nathe:** On the second page, line 4, it says the candidate should be uniquely familiar with the broad spectrum of higher education administration delivery. What do you mean by "uniquely familiar", what do you mean by that. Just have some general understanding or do they have to have a degree in higher ed, or experience. I realize this would be at the discretion of the governor but can you clarify that.

**Rep. Al Carlson:** You could hire a guy from 3M that wanted to be president of our system and he might be a very qualified CEO but if he's never had any relationship or any basic training in how the administration works or how the delivery of higher education works, I don't think he is qualified for the position. Again, it's one of those vague words that you can tighten that up if you want. You can say he must be familiar, uniquely familiar. I think this means that he better have a pretty good resume saying I know how this thing works.

**Rep. Larson:** It's alarming to me to see that we have doubled the budget in just six years. We will certainly be over a billion dollars at this rate, before too long. Did you consider taking a couple of colleges out of that list?

**Rep. Al Carlson:** No; if you want to lose any election in ND, the first words out of your mouth would be that "I am closing an institution". We found out years ago, when Sen. Solberg had me sign onto a constitutional measure with him to take the missions and the campuses out of the constitution. Mayville, Valley City and those other schools felt that our whole purpose in life was to get rid of them. They did a pretty darn good job of marketing and we didn't get it out. This lists the cities, and I've always maintained that unless you have another use for these facilities, you shouldn't be talking about it, because they are a vital part of every one of those communities. That doesn't mean that, in the future, they couldn't look at having some consolidation of leadership between them and a larger institution. But that again, would be something that would come before this legislative assembly and



time and conditions would dictate that. But to take those out would be, in my opinion, very dangerous.

**Rep. Klemin:** I question the timing. This would go to the voters in the general election in November of 2014, and then it becomes effective July 1, 2015. In between there, we will have the 2015 legislative session and it seems like if this is approved by the voters of November 2014, that the legislature in 2015 is going to have to do a crash course on legislation to set up this new department of education in the statutes and do quite a bit of other things. Is there enough time to do all of that after November 2014, or should we have a study in advance to look at that just in case it might pass.

**Rep. Al Carlson:** I hope it would pass. We discussed the timeline at length about doing this. You have to understand that we already have a chancellor's office; an office that is completely set up that supposedly is the umbrella over all of our public institutions. It isn't like we are starting from zero. Obviously there would be some major changes when you have a new type of governance, where you have an executive office and you have a new executive director, but there's nothing that says that the existing director couldn't apply and be the most qualified person for the job and be rehired. I think that there is continuity between the two. I think that if you make that decision, and the voters vote to have it, it is imperative that you move into that as soon as possible. Because now you have functioning board and you have a constitutional change that says the board is no more. Now you have, no matter what that timeline is, I think it creates a problem. A lot of businesses have the theory that when you tell me you're leaving, there is no six months before you leave, you're leaving tomorrow; when you said you were done, you were basically done. That's why the date was a problem for us; originally we had the date set for December 31, 2015. You can discuss the date, but I thought that once you make the move, and the voters say yes, that it was imperative to get after that and it isn't like we are starting from zero. We have all the institutions in place, we have all the presidents in place and we might even have the same director in place if he applies and gets the job. I think that we could make that transition but there would have to be legislation to address some of the finer details.

**Ch. Nathe:** So if this passes and effective on July 1, 2015, the governor must make his recommendation by that date.

**Rep. Al Carlson:** That would be my understanding of the bill. Again, we didn't put in advisory councils, we didn't put in those mechanics because we will meet and be in session to set up any other guidelines that would need to be in place. The funding models are already in place, whether you like them or not, the funding models are already in place that the legislature does. Right now, a lot of it is block grants, and you can question whether that is right or wrong. I'm really concerned about some things that aren't in the bill, and that's the governance. I want to bring this back to the governance and the board. Anytime something goes out of the University Office or gets emailed out, I somehow get a copy of it. One of the mailings that bothered me more than anything was the letter that went December 13, 2012. It shows a tremendous flaw in the governance system. It talked about "events coordination". It

**says, "Host campuses shall plan and sponsor the following events. The night preceding the meeting there will be a dinner from 7:00 pm to 9:00 pm at a premier off-campus restaurant for State Board of Higher Education members and the Chancellor only". Where are the presidents here? You line it up, you pay for it but you don't come. "The morning of the meeting there shall be a continental breakfast from 7-8:00 am. Committee meetings will take place from 8:00-11:30 am. There will be a social luncheon from 11:45-12:45 pm and the meetings start again at 1:00 pm. The breakfast is for Board members only and staff, and others who will be involved in the morning committee meetings. The social luncheon may additionally include presidents, campus personnel, local legislators, and community leaders." We have been told by various presidents that they are not supposed to talk to us. We've also been told by various presidents that they aren't supposed to speak at the Board meeting unless they are asked to speak. I challenge you, is that the type of governance that you want for a billion dollar investment in the state of ND. My answer is "absolutely not". If you want to keep personalities out of there, which is probably the best, is it better to have a chief executive officer who expects a great deal from these 11 presidents under him; is the legislature involved in the funding as well as some decision making as to the future, not the management of the system. I think is good governance. I was involved in setting up the first Board for Workers Compensation. We followed the Carver method of governance, which requires an extremely engaged and active board. I will not sit here and criticize the Board. I don't like the type of governance but those people give of their time to do that. Do I think it's working smoothly; if you read the paper, you decide for yourself. I do believe that this would be a better system for the billion dollar investment that we, as a legislature, make in higher education and what we expect in return for our investment. We shouldn't be told that the constitution says all you do is give us the money. We don't do that for any other department or division; there are not four co-equal branches of government. There are only three and we have the responsibility for two things: policy and money. It's our responsibility to do both of those well. I would hope that your committee will give this a favorable consideration. I tried to answer the questions the best that I could. If you believe that the governor shouldn't have any power and shouldn't have an executive branch, then we should probably get rid of 1(b); which by the way is a pretty powerful organization. They do our budget. If we change it, we are criticized; should we have a pyramid, a chain of command that will work better for the next 20 years for the people that go to those schools; that are the citizens of North Dakota.**

**Rep. K. Koppelman: In your resolution and the resolution we will be hearing next, the language is very similar in terms of locations of institutions. I think the misnomer and you talked about this years ago, when there was a measure on the ballot to possibly alter that. The threat that is felt is that campuses are going to be closed. While I suppose that is possible, I don't think that was anyone's intent. If both resolutions were to pass the vote of the people, how would they be implemented?**

**Rep. Al Carlson: I can tell you that we left the names of those institutions in there for a reason, but took the mission statements out of there. Missions have changed since 1938. I think they should be different and have the flexibility to adjust those**

**and hopefully this bill will do that. My response is if both resolutions passed, the other resolution would be gone because that article is gone.**

**Rep. J. Kelsh: You talked about one-time spending. Can you tell us, at least for the last couple of biennia, how much this one-time spending has been. I know that there have been buildings that have been abandoned for years that are being renovated. If we are going to keep this in perspective, we have to know how much is one-time spending and how much is actual increases in their budgets.**

**Rep. Al Carlson: The only one-time spending basically that I'm aware of in the higher education budget, is the buildings. That's about \$163 million of that total. The last time there were buildings as well and it was under \$100 million. I can tell you, in the current budget, that there is \$2.3 billion dollars in one-time spending in this current budget. That's in all areas. It took four sheets to get them all on there. Some of us that have been here for a while know that when we didn't have any money, it would have taken one sentence, not four sheets. Buildings are the majority of the one-time spending. Last time we did the IT Center up at UND, and I can't tell you the whole list of those because I don't remember them.**

**Rep. Rohr: Page 1, lines 23-24, where it says "the director may be removed by the governor for cause". Historically, has the executive branch ever removed anyone for cause?**

**Rep. Al Carlson: Yes, Gov. Langer removed a lot of people in 1938. I don't have an answer for that in more recent years.**

**Rep. Heilman: One of the pieces I appreciate of the Board, whether or not you agree with how it is run, students have a voting voice on the Advisory Board to the Chancellor. When we talk about this new method that the legislature would approve and the advisory boards or whatever the case may be, I just wonder what your vision is for that process; how much of an active voice students and staff will have in the process of advising the new CEO.**

**Rep. Al Carlson: The measure that we had last time, did allow for a student member on the advisory board. It's never bad to have some input from your customer. I think when it's an advisory board, and then you get the broader spectrum of people you can involve. You don't need it to be the round table, but it's based on the round table idea and all the major players. Some states have started to change their funding models as well. This time, there is a change in the funding model based on credit hours. There is a new formula for higher education. I have gone home after three biennia in a row, after it was all said and done, and my campus was underfunded again by the way that they distributed the money. Here we increased the funding and thought we were doing a great thing and when I got home they told me that they were stuck again. Hopefully this new formula to develop that will help that. Should they have involvement; the customer should be at the table. If there is an advisory board they should be there. As a matter of fact, the students came to me, the Student Association said, "we really like your ideas as long as we get a seat at the table. I don't necessarily disagree with that either.**



**Rep. Meier:** How much one-time spending is being proposed during the next biennium in the higher education budget?

**Rep. Al Carlson:** I believe it is about \$163 million. Plus there is an additional \$53 million added for the complete new medical school. You would have to add that on, because that is in a separate bill but really it is one-time funding and it's in the same category.

**Rep. Meier:** So almost \$220 million.

**Rep. Al Carlson:** Yes.

**Rep. Kretschmar:** It appears to me that this director could become a very powerful member of our state government. Did you ever consider having the appointment by the governor confirmed by the Senate, so that the legislature would have a little say in who the person is.

**Rep. Al Carlson:** I like that idea. Again, this isn't to besmirch the board of higher ed members that are working hard. Most of them are really committed to trying to do what is right for the system. I just think that the governance model has moved on from that. Talk about a very large agency and an executive level position that controls a \$2.4 billion budget is the Dept. of Human Services which is an executive level position as well; it is more than doubled what the budget is in higher ed and there are no Senate approvals or anything. It's just a person picked by the governor to run our largest individual budget in the system.

**Ch. Nathe:** So we're looking at a budget over a billion dollars, approval by the legislative assembly would not be out of order.

**Rep. Al Carlson:** No, I have no trouble with doing that. I should have thought of that when I did it, because we basically like to approve a lot of the positions as they go through the process. The Senate is fine, even though I'm sure that they won't ask for our counsel.

**Ch. Nathe:** As a result of this bill, are there any savings or cost reductions, any transition costs to get to this point.

**Rep. Al Carlson:** I don't see that happening because we have an established office. We already have a central office. I don't see, other than a change in who they may want in the office and what departments they may have, there being a tremendous amount of cost to doing that. If we were starting from zero and just had the 11 institutions running the place and had no chancellor office whatsoever, then I would say yes. But the fact is we have an existing system and costs would be minimal. The voters, of course, will have the final say on this. The language is important for us to get right. The Senate approval, I think, is reasonable to put in there, because it is an important position. Other than that, I think it is in pretty good working order and leaves us flexibility for what we need.

**Rep. Klemin:** If the Senate did have to approve the appointment, this leads to a timing question again. He couldn't be appointed until after July 1, 2015. The legislature is not going to meet again until 2017. How does the Senate handle the confirmation?

**Rep. Al Carlson:** Good question, maybe that was why we left it out.

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

**Laura Glatt, Vice Chancellor, University System:** I am here today to submit these comments on behalf of the State Board of Higher Education in opposition to this bill (see attached #2).

**Rep. Brabundt:** How long have you been vice chancellor of the University System?

**Laura Glatt:** I've been in my current position since 1994.

**Rep. Brabundt:** How much experience do you have in the private sector?

**Laura Glatt:** Most of my professional career has been in state government

**Rep. Brabundt:** So you basically don't have any in the private sector.

**Laura Glatt:** Only during my college experience and shortly after college. Then I came to state government after that.

**Rep. Delmore:** Could your office give us the costs that were on Rep. Carlson's handout provided. Can you provide that percentage of institutional budgets the state actually provides? Obviously the \$912 million is staggering, it is, but it is not the total cost that we have in running our institutions. If you could get us a breakdown of those numbers for the amount of \$912 million in all areas, including the buildings and one-time costs, and if we could do that for the other years as well. So we know what is carry over funds and what is strictly set out for building and temporary needs.

**Laura Glatt:** I would be happy to provide those numbers for each of the biennia. Your question, what percent of the higher education budget does the state of ND support: it is a very critical component, because it is really the state general fund support that creates the foundation that allows us to do all the other things we are doing. We recognize that without that state general fund support, we would not be able to generate all of the grant and contract and other kinds of income that we do generate. The rule of thumb is, generally the state provides less than 1/3 of the total spending in the higher education budget in any given year. In fact, in the most recent year, it was about 27.6% system-wide comes from the state. All of the other funding sources are self-generated.

**Ch. Nathe:** Could you give us some percentages on the graduation rates for the last several biennia. The reason I ask, the biennium of 2009-2011, \$593 million to almost a billion today and enrollment has increased very little and what is the graduation rate on those. Are we getting the bang for the buck?

**Laura Glatt:** I don't know those figures offhand, but would certainly be happy to provide those (see attached #2, 3 pages).

**Ch. Nathe:** Do you have a ballpark figure for the graduation rates are around the country at other higher ed. institutions.

**Laura Glatt:** Since I don't work in the academic area, I don't know those quite as well as the budget figures. We will get you what we have.

**Ch. Nathe:** On the back page, on the top line you talked about, no other state would have this, this would be something different. I would ask what's wrong with stepping outside the box, because we hear of tuition rates rising around the country, low graduation rates; obviously something isn't working. Here in ND, with the board, we've had nothing but problems. It's been one thing after another. What's wrong with stepping outside the box to fix the system?

**Rep. B. Koppelman:** Is it the position of the State Board of Higher Education that it is a bad idea or inappropriate for us to give our voters an opportunity to let us know whether or not they want to change the management of the higher education system.

**Laura Glatt:** I'm not free to speak or represent the views of the board.

**Rep. B. Koppelman:** Was that stated to you, do you believe that they have told you their position.

**Laura Glatt:** They took a position of opposition to this bill.

**Ch. Nathe:** With this new model that we're looking at here in the Resolution, I think some of the frustration we've felt, especially with the Dickinson State situation, is how things are moving and how things aren't progressing. It seems that under this proposed Resolution, things would be able to move along faster to find solutions.

**Laura Glatt:** When I think back to the Dickinson State situation and a number of other events over my time in the office that dealt with institutional presidents, I'm not so sure it is a structural issue in my opinion. It's a willingness to listen and act, regardless of the structure.

**Ch. Nathe:** You mentioned earlier in your testimony that you challenge us to find an example in corporate America where stakeholders directly elect a CEO without having a board. I agree that there probably isn't any around. But with this resolution, wouldn't you say the governor's stakeholders are the people of ND, if another situation arose, like the Dickinson State breaks out, and there was such an uproar, and the governor reacts immediately; where in the Dickinson State example,



**we as legislators couldn't do anything because we weren't in session; the public wanted action but there wasn't any. It seems like this might be a vehicle for quicker response time to situation that arises.**

**Laura Glatt: I don't recall the exact timeframes of how quickly the board acted in Dickinson. I think it was relatively quickly, but I think we need to understand and appreciate in that situation and perhaps in the same situation if this were to pass, I am assuming that this commissioner, just as the chancellor and president now come to us. They would have an employment contract. Certainly, anytime you are dealing with dismissal of an employee for cause or without cause, there is an employment contract and legalities you have to deal with. There is a process piece you have to go through to give people a fair opportunity for a hearing and a conclusion. Whether or not that would be different under the governor or not I don't know. I would hope that it wouldn't be. I think all of us deserve, in the end, whether we did something wrong or not, a hearing and a process to draw a fair conclusion.**

**Rep. K. Koppelman: In the current Article 5, it says, "The state board of higher education shall, as soon as practicable, appoint to a term not to exceed 3 years, a state commissioner of higher education". We hear a lot about a chancellor. The constitution says we have a commissioner, why?**

**Laura Glatt: I am not an attorney. I am only going from recollection. My understanding is, while the constitution references a commissioner there are other parts of the statute that recognize the creation of a unified system of higher education under the leadership of a chancellor. That was done, I believe, in 1990 so that was when we moved to the University system under the leadership of a chancellor.**

**Rep. K. Koppelman: That would seem to indicate that what Rep. Carlson was talking about, maybe the role of the legislature just appropriating is not all the legislature is empowered to do. You talked about open meetings. We heard earlier an agenda read that talked about closed luncheons, or breakfasts, meetings of the board itself. I say, closed, and I'm not sure about that, that's part of my question. Apparently, it was closed to other participants. Are they also closed to the media?**

**Laura Glatt: I'm not part of that process. My understanding is that those meetings/dinners have been formally posted on the board agenda that is released to the public and the media. It is my understanding that if the media were to attend, they would be welcomed. I don't know if they have ever attended.**

**Rep. K. Koppelman: We are one of the most open states in the nation when it comes to open meetings. When I hear fear and trembling from school board members, like if they get together at a basketball game and talk about the weather at half-time and it happens to be a quorum of the board, they are worried that they might be in trouble for having a closed meeting. When we deal with these constitutional amendments, these resolutions to amend the constitution. I used to chair the Constitutional Revision Committee for several years, they are different than bills. When we do a bill, people are for it, others are against it. You testify and the**

committee votes, the full House or Senate votes and eventually the whole process works its way through. These are different in that we're merely looking at these to decide is it an idea that we think is worthy, at least of having the voters weigh in. We've heard some references today from people on both sides of this issue about what happened 80 years ago, the 1930's. Maybe it was a necessary thing at the time, but we seem to have enshrined what the voters did 80 years ago, and most of those voters are not around anymore. I am just wondering if it is a bad thing to ask the voters to look at this issue and see if this needs to be modernized or changed in any way. Are you opposed to that categorically or is it just this construct that you don't like.

**Laura Glatt:** Certainly the voters have the right to consider any measure, whether you place it in front of them or they choose to do so through a referral measure. I think that all we would ask is that we take the time to carefully study and evaluate whether a change is necessary, and if so, what is the most proper structure of that change so that we don't put something on the ballot that necessarily may not be the best vehicle. Whether we are at the stage where we have all those answers or not, I don't know.

**Rep. K. Koppelman:** Do you have suggested amendments then for a better idea that you might want to advance.

**Laura Glatt:** The Board is not advancing any other alternatives other than the structure that exists today.

**Rep. J. Kelsh:** There has been a lot of talk about Dickinson. I think one of the problems was there was some pretty good evidence of political intervention out there that caused some more problems. Also, I remember when we had problems with classes not being good enough to transfer from the 2 year schools to the 4 year schools; they came up with this university system. That's when the name of the chancellor was changed and it was his job to make sure that was done because people were being pushed around when they tried to get their credits to transfer and couldn't get it done and were upset about that when it was English 101 or Math, whatever it was. That is a little bit of the history. Do you fear that some more political posturing by going this route, if it passed, the governor would have all the say, or the person he appointed would have all the say. Wouldn't that just open this back up to what caused the problems in 1938? What is the fear of the Board's?

**Laura Glatt:** I'm not sure I can speak on behalf of the board and answer that question.

**Ch. Nathe:** I would contend that when Laura talked about the board and taking the politics out of higher education, and I submit that there are politics all over the place, whether we are in session or out of session. There are politics going on right now with the board, with half of the board not in favor of the chancellor and the other is. It's going on right in front of us. Whether we do this or the other one, I think there is going to be politics either way you look at it. I understand what you're saying and

**not totally disagreeing with you, but there's going to be politics no matter what we do.**

**Rep. J. Kelsh: Wasn't there an article just the other day that stated that the Board was 100% behind the chancellor.**

**Ch. Nathe: There was a letter signed by three of the board members that were behind the chancellor, but not the other four.**

**Rep. J. Kelsh: Well then, that's new, because at one time, very recently they were 100% behind him.**

**Ch. Nathe: I have a hard time believing that when one of the student board members brings up the situation that they are dealing with now. There are politics all over.**

**Rep. Brabundt: How many FTE employees are there in the university system?**

**Laura Glatt: You're talking campuses and everybody. I can't answer it in terms of FTEs. For example, we probably issue in excess of 12,000 W-2s a year; keep in mind that includes a very large proportion of part-time student help. I can get that number for you.**

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



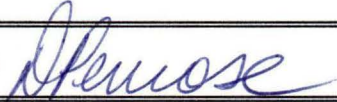
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

HCR 3047  
March 12, 2013  
197910

Conference Committee

Committee Clerk Signature



## Minutes:

**Ch. Nathe:** Let's take a look at HCR 3047. This bill would enable the Governor to appoint the Chancellor's position, a member of the Governor's cabinet.

**Rep. B. Koppelman:** What is the procedure if both HCR 3047 and HCR 3042 passed out of our committee and the Floor of both Houses? If both bills are on the ballot, is it the one that gets the most votes that becomes the new law.

**Rep. J. Kelsh:** Usually the last one that passes if they are the same. But there are some differences in the amendments. They could both go on the ballot and one would create the Dept. of Higher Education and the Czar would be appointed. The other bill would create an advisory committee and he would be elected by the people. They are not the same. They could both pass and go to the vote of the people. You couldn't put them together because they aren't the same.

**Rep. Rust:** I am not sure this bill or the other one will solve any problems. I understand what they are trying to do, but I think that position then becomes a lot more political. To be really honest, I like this bill when the Republicans are in control and there is a Republic Governor, but I'm not sure if I would like this bill nearly as well if a Democrat in control. I'm not saying that to generate any tense feelings, but just to let you know that I think it becomes more political. I talked with someone on the State Board of Higher Education and they understand that they have some problems that they need to address. I don't know if this is going to change any of that. I just think it will become more political. I think we have as good as it's going to get, you're going to have problems either way.

**Ch. Nathe:** As I said at the hearing yesterday, there are politics all over the place. There are politics going on right now within the Board itself. You aren't ever going to get politics out of it. We've had nothing but issues with the Board. As I said earlier, I don't think there is anything wrong with stepping outside the box, letting the public decide which way they want to go on this. Rep. Carlson said specifically that it doesn't matter if it is a Republican or Democrat in the position. He is comfortable with this position here. Whoever is in that office will have to be held responsible? This bill gives us as the legislature some time if something should happen. A perfect example would be Dickinson State University when the problems arose and the legislature couldn't do anything and the Board thumbed their nose at us once we sine die out of here. This means, that if something like what happened at DSU

happened again, and this is a cabinet position, we now have a place to go to get some action, and that would be to the Governor. Right now, we have nothing in the interim and we have to wait until we come back in. Higher Education said they are the 4<sup>th</sup> branch, we don't have to listen to you guys, and we can do what we want to do. This bill will give us that opportunity to be more rapid. The public spoke out and asked that we do something about Dickinson. There wasn't anything we could do about the DSU situation while we are out of session. I think this gives us a good start, to have our hands on the wheel with them and work together. They have a tough job on the board. I agree, I don't think this is a bill to bash the Board. I just think it's pretty obvious that the system is not working the way it was intended to work. Let's let the voters of ND decide.

Rep. Rust: The current State Board of Higher Education, its members are appointed by the Governor, correct.

Ch. Nathe: Correct.

Rep. Rust: Therefore, there is some control there.

Ch. Nathe: They are appointed and then approved by the Senate. Now, again, they don't have to take directions from the Governor, and the Governor isn't going to remove them because there might not be a good enough reason to remove them from the Board. Again, if something should happen, this gives the Legislature a chance to react on behalf of the public.

Rep. Rust: It seems to me when we've had people who have been appointed, that we have had problems within those organizations. It also seems to me that when we've had people elected, we've had problems, and it also seems to me that if you have an advisory board, that those people feel like what good it does to serve on that board. I am strictly an advisor; I may as well stay home. There have been times in the past when I've seen when we have moved from advisory to making them board members so that they would have some power. I don't know that the system is broken. I think it needs to fix some things and I think they will.

Rep. J. Kelsh: I don't care who is in charge; I don't think this is a good idea. It returns it to politics. There's politics, I don't deny that. You brought up DSU, that was a pretty good problem but how about every other little problem that is going to be meddled with if the Governor says you have to take care of because I've had a few complaints. If you remember, we were having a good time when we took WSI away from the Board and gave it to the Governor. It wasn't very long and we knew that wasn't the best course of action. There was meddling going on in individual cases because he had the power to do it. That is probably where either of these will go. Maybe not so much with the elected ones but on all the others. I don't care who it is; if they are elected by the people and get criticism from the people, they react as we do. I am not in support of either one of them.

Rep. Mock: Article 3, section 8 of the Constitution, it does say that if there are conflicting measure that are passed, the one receiving the highest number of affirmative votes shall be law. To answer the question regarding the two conflicting

measures, if they are both on the ballot and they both pass, the one with the highest number of votes becomes law. My second point is, looking at subsection 1 of section 1, starts on page 1, line 17, we have 11 public institutions. Their missions are defined in our constitution. You have the UND, an agricultural school, by removing the missions, but stating that you are going to have those institutions in these cities, in these 11 cities, I am a little concerned that we are opening the door; the concern was that we could close the universities if they are no longer defined. You have this college of forestry at Bottineau, but if you remove those missions, the opportunity for mission creep, where suddenly a college, perhaps becomes another 4 year institution or another research institution, that you are expanding it and having an additional university for ND. I'm not saying that it is a concern and maybe that idea would have merit if someone actually brought the idea. But you look at it, education is important, but by taking out those definitions, my question is that opportunity presenting itself for mission expansion in creating additional or larger universities in our university system. That was a concern that was brought to a few people, to my attention and it's one that I haven't found an answer to.

Rep. Meier: I know that as I went door to door this fall, higher education seemed to be a bone of contention with a lot of my constituents. I would be in favor of actually passing both these resolutions and giving the people the choice to vote on them, and then the people of ND would have a voice in change.

Rep. Hunsakor: I think we all know why the Board of Higher Education was created. It was created in the '30s. That was a long time ago. I wonder if things are any different now or will we be in exactly the same position. I guess I think there should be a separation between higher education and the political world. Just to be honest, I fear that if we have a commissioner, we could very well put ourselves in a position where we have too much legislative influence on higher ed. policies. I favor the separation so I can't vote for either of the bills.

Rep. Heilman: I'm torn on these. I haven't been involved in higher education, at least, on the policy side for many years. To respond to the most previous comments in regard to separation. I struggle with why we basically run K-12. We have our own department here; it is an elected official, of course. I don't know why higher education has to be any different in that regard. Why is it so special compared to other departments. I know it has research implications, and so on, and it's maybe more of an economic driver than the K-12 system is in general. I understand that. But if it is education of our young people and an attraction method to get other young people here, I personally have become very frustrated with the dynamic between the Board and the Legislature. When we go home, everyone expects we're accountable for what is going on, and then we brush it off on the Board, and then the Board says well the legislature didn't do this and didn't give us the money, and then when we put in a bill to make statutory changes which we have that right, and they have to follow statute according to article 8 of the constitution, they come in and tell us that we have nothing to say about higher education. But those other 4 bills that we asked you to put in, you passed those, those are okay, but the ones that you guys came up with, those aren't so good. Oh, and by the way, give us \$800 million. I am frustrated with the constant confusion of who does what and I'm ready at this point, to embrace something different. I think personally if we are talking about



**3042, about the elected official, I have a little bit harder time with, not because it's an elected official but the best guy for us may be from Oregon at the moment, and I don't think he is going to come and spend 30 days in ND to become a resident, to run for office. I'm not saying the best guy is in Oregon, he might be in ND, but I think we limit our options that way. I have some hesitancy towards that.**

**Ch. Nathe: When the Board was changed, obviously things have changed drastically, especially in the last 4-5 years. We're dealing with much bigger amounts, different dynamics, and more pressure all the way around. It just seems to me with the current Board and I understand and respect where the other side is coming from against this bill, but it seems to me that we're still paying for the sins of what happened in 1938, and we're afraid to do something because we're afraid we may fall back in what happened in the '30s. I think it is a totally different dynamic now, total different environment. I agree with Rep. Meier and Rep. Heilman from knocking on doors, people are looking to us to make the right decisions. I think this gives us an opportunity if the voters were to approve it, we could then respond in a much quicker and better manner.**

**Rep. Mock: I just wanted to clarify, in article 8, section 6, the section we're actually repealing and then replacing, that's what created the State Board of Higher Education. That was passed in 1938, but it was amended and affirmed many times since. In fact, most notably after the 1972 constitutional convention, that section had to be reaffirmed by the voters in order to stay in our constitution. So in 1972, voters again looked at that section and said that the State Board of Higher Education is the way we should run institutions of higher education. Again, amendments were adopted in 1994, 1996 and 2000. ND's have had a lot of opportunities and made moves to change or to amend, or even in some cases, repeal sections of the state board. We have affirmed it on a few occasions and made changes.**

**Ch. Nathe: I would argue that they were not dealing with the situations that we have been dealing with us in the last number of years with the Board and unfortunately some of the examples that are going on. Those might have been done in good times, where things were rolling right along.**

**Rep. Mock: I cannot speak to what the sentiment was related to State Board of Higher Education in 1972. I hear about the board in Grand Forks. It is a topic of conversation every time. We hold the power of the purse. That is the beauty of this body. If we need to make change to the institutions, we have that authority. I still believe in the State Board of Higher Education as a concept. I think I am going to reject the proposal.**

**Rep. J. Kelsh: You had brought up the sins of higher education brought on the board back in 1938. I would suggest that the sins of the board four or five years ago, are causing lots of trouble for the present board and I think the perfect example is the Chapman situation in Fargo. They went home and found they had to raise tuition after the last session because of all the people he had invited in with no tuition or anything, and they were way behind on their budget. The people of Fargo supported him. They thought he was the best person they could have. He wasn't. He hurt the whole system, not only Fargo, and not only the Board of Higher Education, but he**

has hurt the whole system, because that's where the mistrust started. They fired a pretty good chancellor and kept Chapman and found out that maybe that wasn't the way it should have been. I'm not sure that the current Board is totally to blame, because of things that happened in the last few years that have caused a lot of the problems.

Rep. Rohr: I am going to concur with Rep. Meier and you because the system is broken, that's been brought up by the citizens of ND, and they are fed up. I get phone calls and emails all the time, that there is no one being held accountable in higher ed. and so I think it is time to take it to the vote of the people.

Rep. Heilman: I was frustrated that there won't any Board members here yesterday, when these were being heard.

Ch. Nathe: But we had one at the funding bill, 2200.

Rep. Heilman: I think somebody should have been here so that we could have asked at least some questions. I get why they weren't here. At the bottom of each of their statements read by Laura Glatt, they said are the distractions, uncertainty and political influence that would result from the proposed reorganization in the best interest of North Dakota stakeholders, parents, students, players and taxpayers. I would submit to you, are the distractions, uncertainty and political influence in today's current environment good for the stakeholders, because here we are sitting and talking about political power struggles again and again and the issues that we should be talking about like the funding formula are overshadowed by the shroud of controversy time and time again. If we can do something like this, I just see this as a legislature; we are able to help form some of those policies a little bit more in keeping with what we have to deal with today, instead of answering to an independent board that we have no input at all on.

Rep. B. Koppelman: The interesting tone that we have heard from various sides of this, particularly those opposing it, the tone is almost like we're passing a bill and it's final when it leaves this chamber. I don't think that is the proper tone to be discussing a constitutional measure for the ballot that we're asking the voters to vote on. We've all heard it, like Ch. Nathe said, when we've campaigned. They're saying fix it, find a solution. Regardless of what your flavor of solution is between these bills or otherwise, I think we owe it to our taxpayers after hearing that, to give them a solution. They can vote no, and then they can tell us how much they hate how higher ed is run and we can give them something else next time, but to say, because of the '30s and because of the times that the constitution has been amended in all these years, how dare we put something in front of the people again, that might overturn their previous decision, is a ludicrous argument. We owe it to them to give them solution. I certainly respect people's differences of opinion on these bills. Regardless of what we do, whether we pick one or both, I respect the differences of opinion on how we do it, but to not do it because hopefully we will get a different result next time, is silly.

Rep. Rust: We would vote on this in November 2014, that is 21 months away. When would this go into effect?

**Ch. Nathe: July 1, 2015.**

**Rep. Rust:** By voting on it, you essentially keep this board of higher education in a state of wondering about how to fix it or what to do, because 21 months later we are going to vote on something, and I think you exacerbate the problem for the next 2 years. I have more confidence in boards than some people here do; because I think that Board's try to do the right thing. I know how Boards get caught up in situations, some of which get very ugly. I'd like to see the Board know that it's time for them, that they aren't under the gun and they have to take care of it and take care of it now.

**Ch. Nathe:** They would have about a year or 21 months to prove themselves to the vote of the people. Maybe they turn things around before the vote of fall 2014, and say you know what, it's not as bad. They would have a chance to prove themselves before the vote.

**Rep. Schatz:** The question for me is the \$3 billion dollars that it takes to run 11 institutions. Now if we've gone from \$357 million general fund money and the proposed \$912 million in this year's SB 2003. That's where the people are angry, every time I go out there; they ask me why we can't just go back to that number before. I tell them that I'd like to, but that's not how it works. I think that's the problem, when you get up to that kind of money, shouldn't they be elected when you do these things. Shouldn't there be a direction, a debate, a platform, to lay out what you are going do, or how you are going to stop the runaway spending; \$357M to \$912M in 6 years. That's a lot of money, that's a lot of increase. That's why the people are mad, from what they've told me. We might even see a referral or referendum on the SB 2003, that they might say no way are we spending \$912M on higher education. I just think we need an election because that gets it out there for everybody to vote on.

**Rep. J. Kelsh:** We've gotten some pretty good products out of the schools in ND. I think of Wahpeton School of Science is one of the best examples and I think it's pretty much across the state. They have constantly worked for programs and have gotten people to help them like John Deere, Case IH, and Bobcat to put a lot of money into their school. They are training people that are needed across the state. I think we sometimes forget that they have done a lot of good as far as higher education. I don't care what kind of system you are going to have, there are always going to be problems. Let's not forget the good that has been accomplished.

**Rep. Mock:** There are management questions. Passing this, if affirmed by the voters doesn't do a thing to change how much money is appropriate to higher education. We do that. The \$912M in the Governor's budget, that's passed on us. So if it's the spending that is the question, that's on us. We can spend that much, if not more, under any other system.

**Ch. Nathe:** And we probably will.

**Rep. Mock:** In subsection 2 of section 1, we would be creating another cabinet level position that the Governor appoints and it would be the only cabinet level position



that has a specified term. The adjutant general doesn't have a term, he is appointed by the Governor and that is filled with each governor. We'd actually be saying that you have a second separate standard as a cabinet; you are only in for three years. We set the appropriations. We need to listen to our constituents and make sure that we have an efficient and accountable education system. This is a question of management.

Rep. B. Koppelman: I don't know if all the other cabinet members and the terms they are on, but I don't know if all the other ones that serve in his cabinet have to be dismissed for cause either, I think some of them are "at will" service.

Rep. Mock: I believe that any member of the cabinet could be dismissed for cause and we are a right to work state. They are state employees. I don't know if that part is even necessary.

Rep. B. Koppelman: Maybe you're going to have to have cause. This one, being there is cause, maybe that was the reason that the Bill's author included a term, if you removed the term, you would probably have to remove the "for cause" too. I made note of something during the testimony and I would like to amend in section 1, subsection 2, line 22 of page 1, on HCR 3047 and I had written down after the Governor shall appoint, and I had added "and the legislature shall confirm, the director of the dept. of higher education." I think there had been some discussion whether it would be the Senate or the legislature.

Ch. Nathe: I don't think we confirm members of the cabinet right now.

Rep. Heller: That appropriation that we made to higher education is only a 1/3 of their budget. The other remaining 2/3 is tuition, fees and the State Board of Higher Ed controls that much of the money. We only control about 1/3 of it.

Ch. Nathe: I believe so.

Rep. Mock: I believe we approve the spending of dollars with their budget and that includes money that comes in for research grants, tuition rates, and other fees and dollars that come into the system. I believe we still approve and give the spending authority to those institutions even though only a 1/3 of the money comes from the General Fund. I believe we have to approve all spending for every state institution.

Rep. Heller: I move a Do Pass on HCR 3047.

Rep. Rohr: Second the motion.

7 YES 6 NO 0 ABSENT

DO PASS

CARRIER: Rep. Heilman

Date: 3/12/13

Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. HCR 3047

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. Heller Seconded By Rep. Rohr

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) 7 (NO) 6 (ABSENT) \_\_\_\_\_

FLOOR ASSIGNMENT Rep. Heilman

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

**REPORT OF STANDING COMMITTEE**

**HCR 3047: Education Committee (Rep. Nathe, Chairman)** recommends **DO PASS** (7 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HCR 3047 was placed on the Eleventh order on the calendar.



**2013 SENATE JUDICIARY**

**HCR 3047**

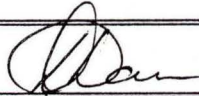
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Judiciary Committee  
Fort Lincoln Room, State Capitol

HCR3047  
3/27/2013  
Job #20611

Conference Committee

Committee Clerk Signature



**Minutes:**

*Attached testimony*

## Relating to the state board of higher education

### Senator David Hogue - Chairman

Rep. Al Carlson - District 41 - Introduces the bill and explains this creates a Department of Higher Education, Section 1, within the executive branch of government. He said it clarifies any issues regarding the independence or the 4<sup>th</sup> branch of government we have sometimes heard about. This creates 3 co-equal branches and makes it clear that higher education will be under the privy of the executive branch. He states this is not an attempt to close down any campuses. There still will be 11 institutions as there is today. Rep. Carlson also says in Section two the Governor shall appoint the director of the Department of Higher Education who shall serve as chief executive officer of the department, the ultimate accountability for the performance of the director and the operations of the department rests with the Governor. He also speaks of the term they will serve and continues explaining Section two.

Rep. Carlson hands out a summary showing the amount of money ND puts into higher education. (1) The committee asks Rep. Carlson for a brief history of the Board of Higher Education. Rep. Carlson gives a history and mentions the conflict they have had.

Senator Grindberg - District 41 - Explains that the discussion today is about the future vision and how it is going to be run. He explains there has been common concern with the Higher Education Learning Commission and North Central Accreditation out of Chicago. He goes on to say accreditation is voluntary and the U.S. Department of Education requires Institutions to be accredited at their choice. He gives examples of the benefits of being accredited. He questions how an independent entity could say to ND they are no longer going to accredit us because we change the governance. Senator Grindberg explains his being a supporter of higher education and what has changed his mind.

### Opposition

Claire Holloway - General Counsel for the ND University System - Provides the testimony for Hamid Shirvani. (2) She reads parts of his testimony. Senator Sitte asks if there couldn't be community boards working with accreditation. Ms. Holloway questions the logistics of having 11 boards working. Senator Sitte outlines her vision of the boards. Senator Hogue asks if there is an authoritative source that the committee could look to, to

decide the issue of accreditation. Ms. Holloway replies the Higher Learning Commission would be the highest authority and their information is available on-line.

Johan Mahlum - Lobbyist of the ND Student Association - See written testimony. **(3)**

Shane Gerbert - Lobbyist representing UND Student Government - See written testimony. **(4)**

Stuart Savelkoul - Executive Director of the ND Public Employee Association - See written testimony. **(5)** Senator Hogue asks him if there is a university in ND, SD, Minnesota, Montana, Wyoming or Nebraska that has lost its accreditation in the last 50 years. Mr. Savelkoul replies that he will check into it.

Neutral - none

Close the hearing on 3047

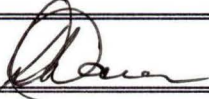


# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Judiciary Committee  
Fort Lincoln Room, State Capitol

HCR3047  
4/8/2013  
Job #20979

Conference Committee

Committee Clerk Signature 

**Minutes:**

**Senator David Hogue - Chairman**

Committee work

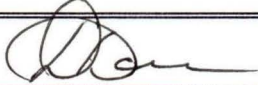
Senator Hogue describes the bill and the changes his proposed amendment will make. Senator Berry wonders how much of this is dealing with today's situation. Senator Lyson sees the problem as no policy procedures. Committee discusses the tensions that are going on currently. Senator Sitte wonders who would even want to serve on the commission. Senator Armstrong thinks the system is broke and it needs a change. Senator Grabinger believes we're too involved and they need to let the current chancellor do his job even if it isn't to everyone's liking. The committee discusses the amendment and the three member commission. Senator Nelson says there needs to be a person at the top. Senator Hogue compares it to the PSC commission and how they draw off members areas of expertise. The committee agrees that to appoint someone who has attended a particular school would not work. Senator Hogue asks the committee to read through the amendment and to be prepared to act on it tomorrow.

# 2013 SENATE STANDING COMMITTEE MINUTES

**Senate Judiciary Committee**  
Fort Lincoln Room, State Capitol

HCR3047  
4/9/2013  
Job #21053

Conference Committee

Committee Clerk Signature	
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**Minutes:**

Vote
------

## **Senator David Hogue - Chairman**

Committee work

Senator Grabinger hands out information for the committee and explains it is an opinion from the Grand Forks Herald. He says he would hate to take a step that may jeopardize accreditation and the student's welfare. Senator Hogue states there is some problems with the structure. He describes that some members of the Higher Ed Board feel it is the 4<sup>th</sup> branch of Government. He goes on to say that the size of the enterprise requires it have some full time people that are accountable. He points out there is a need for full time employees not volunteers. He explains some of the problems they have had.

Senator Grabinger moves a do not pass  
Senator Nelson seconded

Discussion

Senator Hogue says he will oppose the motion as did Senator Armstrong. The committee has very different views on the bill and they discuss their differences.

Vote - 3 yes, 4 no

Motion fails

Discussion

Senator Hogue asks the committee how they feel about the amendment. Senator Sitte disagrees with the amendment and thinks it should be left as it came from the House. Senator Armstrong supports the amendment and thinks it is about time with the amount of money we are spending that there be a full time commission. Senator Berry thinks the amendment makes it better but will oppose the bill.

Senator Armstrong moves amendment 13.3048.02005

Senator Lyson seconded

Vote - 6 - yes, 1 no

Amendment adopted

Senate Judiciary Committee  
HCR3047  
4/9/2013  
Page 2

Senator Armstrong moves a do pass as amended  
Senator Lyson seconded

Vote - 4 yes, 3 no  
Motion passes

Senator Hogue will carry



April 8, 2013



PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3047

Page 1, line 2, replace "department" with "commission"

Page 1, line 6, replace "department" with "three-member commission"

Page 1, line 6, remove "with"

Page 1, line 7, replace "the charge that the department" with "to"

Page 1, line 17, replace "The department" with "A three-member commission"

Page 1, remove lines 21 through 25

Page 2, remove lines 1 through 9

Page 2, line 10, replace "4." with:

- "2. The governor shall appoint each member of the commission from a list of at least three nominees agreed to by a majority of the following:
  - a. The speaker of the house of representatives;
  - b. The president pro tempore of the senate;
  - c. The chief justice of the North Dakota supreme court;
  - d. The superintendent of public instruction; and
  - e. A representative of an educational interest group selected by three of the four aforementioned individuals.
3. The governor shall ensure that one member of the commission has leadership experience in a private sector business, industry, or service, and that one member, at the time of appointment, holds a professional position within the higher education sector. Each member of the commission must be confirmed by the senate.
4. The term of office for each commission member is four years, except that the initial terms must be staggered by lot so that no more than one member's term expires each year. Each term begins on July first and members may be reappointed to three consecutive terms.
5. A member of the commission is subject to removal by impeachment in the same manner as that established for the removal of the governor.

6."

Page 2, line 10, replace "director" with "commission"

Page 2, line 13, replace "director" with "commission"

Page 2, line 14, replace "director" with "commission"

Page 2, after line 14, insert:

"7. The legislative assembly may provide for the appointment of an advisory board that includes a faculty and a student representative."

2012

Renumber accordingly

Date: 4-9-13  
 Roll Call Vote #: 1

**2013 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 3047**

Senate JUDICIARY Committee

Check here for Conference Committee

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

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

Motion Made By S. Grabinger Seconded By S. Nelson

Senators	Yes	No	Senator	Yes	No
Chairman David Hogue		X	Senator Carolyn Nelson	X	
Vice Chairman Margaret Sitte		X	Senator John Grabinger	X	
Senator Stanley Lyson		X			
Senator Spencer Berry	X				
Senator Kelly Armstrong		X			

Total (Yes) 3 No 4

Absent \_\_\_\_\_

Floor Assignment Fails

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



Date: 4-9-13  
 Roll Call Vote #: 2

**2013 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 3047**

Senate JUDICIARY Committee

Check here for Conference Committee

Legislative Council Amendment Number 12.3048.02005

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

Motion Made By S. Armstrong Seconded By S. Lyson

Senators	Yes	No	Senator	Yes	No
Chairman David Hogue	X		Senator Carolyn Nelson	X	
Vice Chairman Margaret Sitte		X	Senator John Grabinger	X	
Senator Stanley Lyson	X				
Senator Spencer Berry	X				
Senator Kelly Armstrong	X				

Total (Yes) 6 No 1

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Date: 4-9-13  
 Roll Call Vote #: 3

**2013 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 3047**

Senate JUDICIARY Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.3048.02005

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

Motion Made By S Armstrong Seconded By S Lyson

Senators	Yes	No	Senator	Yes	No
Chairman David Hogue	X		Senator Carolyn Nelson		X
Vice Chairman Margaret Sitte	X		Senator John Grabinger		X
Senator Stanley Lyson	X				
Senator Spencer Berry		X			
Senator Kelly Armstrong	X				

Total (Yes) 4 No 3

Absent 0

Floor Assignment S Hogue

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

**REPORT OF STANDING COMMITTEE**

**HCR 3047: Judiciary Committee (Sen. Hogue, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HCR 3047 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "department" with "commission"

Page 1, line 6, replace "department" with "three-member commission"

Page 1, line 6, remove "with"

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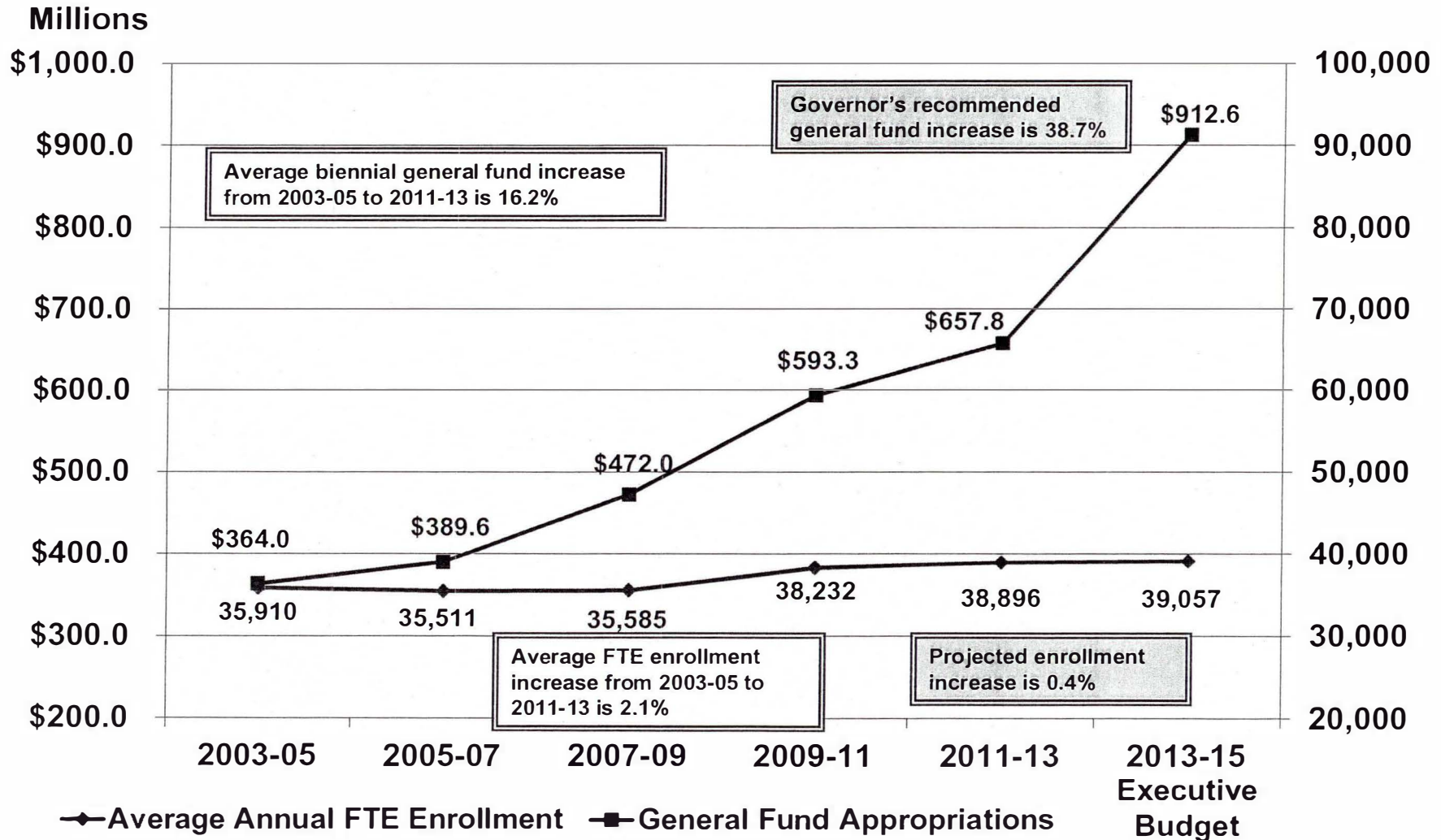
Renumber accordingly



**2013 TESTIMONY**

**HCR 3047**

# Higher Education – General Fund Appropriations and Full-Time Equivalent (FTE) Enrollments



*Rep. Carlson #1*

# North Dakota University System

## HCR 3047--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 3047 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.

Only through a board authorized to set policy, can the interaction and collaboration of the institutions within the system be encouraged; both through 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. This is true for both higher education governing boards across the nation as well as corporations across the nation. In fact, I would challenge you to find one example in corporate America where the stakeholders directly elect the CEO of an entity without having a board of directors to establish institutional policy and maintain overall governance.

North Dakota's State Board of Higher Education represents one of the most streamlined and coordinated structures in the nation because in North Dakota, the state board of higher education is responsible for the complete range of postsecondary education opportunities in the state – workforce training, one- and two-year programs, four-year programs, graduate programs, and professional programs. While there will undoubtedly be legitimate disagreements over decisions made by any governing board, the question is not really about the decisions that are made, but rather whether the decision-making process by a governing board, rather than a single individual selected by the governor, is more appropriate for institutions with stakeholders made up of every student, parent, employer, voter and taxpayer in the state of North Dakota.



Furthermore, the proposed model would be the only one of its kind in the nation. Every state, along with the District of Columbia and Puerto Rico, assigns higher education governance responsibility to one or more boards. Without a precedent, the proposed structure is untested. There is no means to assess how effective it would be in practice or whether it would lead to improved education policy and planning. Ohio offers a recent example of how higher education can become politicized. When the state's political leadership changed, the Chancellor stepped down, resulting in a loss of continuity and stability for system policy and long-term planning.

The Education Commission of the States (ECS) is a national organization that helps states develop effective policy and practice for public education and promotes the exchange of ideas among the states and long-range strategic thinking. An ECS policy brief offers some crucial advice to state leaders before they consider enacting changes to their higher education governance structure:

"In most states, leaders have made governance changes without first making a thorough evaluation of how well their existing policies and structures align with the state's agenda and the public interest. Consequently, one can find numerous examples of governance changes that failed to meet the expectations of the people who proposed them. . . . **States that fail to assess these contextual factors risk seriously hampering the capacity of the state and its postsecondary education system to compete in the new environment.**"  
(emphasis added)

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 be 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 1,919  
 261  
 Instruct 1,993  
 4113

18,061  
 6,049  
 12,012



## Policies and Procedures

### SBHE Policies

[<< return](#)

**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.

[ [Back to website](#) ]



I am hoping you can provide the attached information to the House Education and House Judiciary Committees. This is the information they asked for during the constitutional amendment hearings last week.

- 1.) Rep. Carlson funding chart broken down between base and one-time funding. I have also included a chart that shows the change in state general fund appropriation over time, by major sector of state government. Note on line (R) that the NDUS general fund appropriation from 2003-05 to Executive Recommendation proposed 13-15 is an increase of 152%, while the overall growth in the total state general fund budget was 165%.
- 2.) Percent of the NDUS annual budget that is supported by the state general fund. For the current 12-13 fiscal year, 27.6% of the projected spending is from the state general fund with almost 83% from non-state sources, such as tuition/fees, grants and contracts, auxiliary revenues, etc.
- 3.) Current and historical NDUS and national graduation rates
- 4.) FTE Employee count, by fund source
- 5.) Percent of graduates that state in the state following graduation. This data is not included, as this responsibility has been turned over to the state longitudinal database group, and the information is not currently available.

**NDUS General Fund Appropriations**  
**2003-05 Through 2011-13 Biennia, Plus 2013-15 Executive Recommendation**  
(In Millions)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Original Appropriation	Deficiency Appropriation Applied	Total Adjusted Appropriation, Per Legislative Council	Base	One-Time Funding, Including Def Approp	Capital Projects	Total	Average Annual Degree Credit FTE Enrollment
2003-05	\$361.5	\$2.5	\$364.0	\$358.2	\$5.8	\$0.0	\$364.0	35,910
2005-07	\$387.2	\$2.4	\$389.6	\$386.5	\$2.4	\$0.7	\$389.6	35,511
2007-09	\$468.6	\$3.4	\$472.0	\$440.0	\$18.2	\$13.8	\$472.0	35,585
2009-11	\$593.3		\$593.3	\$531.7	\$22.6	\$39.0	\$593.3	38,231
2011-13	\$657.8		\$657.8	\$606.6	\$4.1	\$47.1	\$657.8	38,896
<b>2013-15 Executive Recommendation</b>	<b>\$912.6</b>		<b>\$912.6</b>	<b>\$695.8</b>	<b>\$38.9</b>	<b>\$177.9</b>	<b>\$912.6</b>	<b>39,057</b>

**History of General Fund Appropriations AND 2013-15 Executive Recommendation by Function**  
(Millions of Dollars)

	(1) Health & Human Services	(2) Elementary, Secondary and Other Education	(3) North Dakota University System	(4) NDSU Research & Extension	(5) All Other State Agencies	(6) Total General Fund Approp.
A. 1981-83	\$191.90	\$254.08 <sup>1</sup>	\$218.25	\$29.86	\$209.51	\$903.60
% of Total Budget	21.2%	28.1%	24.2%	3.3%	23.2%	100.0%
B. 1983-85	\$197.21	\$402.60	\$196.29	\$32.42	\$176.59	\$1,005.11
% of Total Budget	19.6%	40.1%	19.5%	3.2%	17.6%	100.0%
C. 1985-87	\$257.66	\$423.94	\$221.22	\$35.28	\$195.45	\$1,133.55
% of Total Budget	22.7%	37.4%	19.5%	3.1%	17.3%	100.0%
D. 1987-89	\$233.01	\$410.16	\$211.92	\$32.57	\$169.51	\$1,057.17
% of Total Budget	22.0%	38.8%	20.0%	3.1%	16.1%	100.0%
E. 1989-91 - Post Referral	\$236.18	\$398.72	\$227.48	\$33.99	\$132.25	\$1,028.62
% of Total Budget	23.0%	38.7%	22.1%	3.3%	12.9%	100.0%
F. 1991-93	\$274.12	\$449.11	\$263.73	\$38.29	\$173.38	\$1,198.63
% of Total Budget	22.9%	37.5%	22.0%	3.2%	14.4%	100.0%
G. 1993-95	\$297.42	\$467.96	\$252.12	\$36.82	\$198.12	\$1,251.23
% of Total Budget	23.8%	37.4%	20.1%	3.0%	15.8%	100.0%
H. 1995-97	\$329.40	\$500.53	\$268.45	\$38.90	\$211.06	\$1,346.84
% of Total Budget	24.3%	37.2%	19.9%	2.9%	15.7%	100.0%
I. 1997-99	\$355.11	\$546.28	\$302.24	\$44.15	\$241.46	\$1,489.24
% of Total Budget	23.8%	36.7%	20.3%	3.0%	16.2%	100.0%
J. 1999-01	\$366.46	\$569.95	\$327.41	\$47.13	\$283.09	\$1,594.04
% of Total Budget	23.0%	35.8%	20.5%	3.0%	17.8%	100.0%
K. 2001-03	\$390.30	\$596.36	\$366.95	\$51.74	\$341.63	\$1,746.98
% of Total Budget	22.3%	34.1%	21.0%	3.0%	19.6%	100.0%
L. 2003-05	\$430.10	\$629.63	\$361.54	\$50.77	\$331.63	\$1,803.67
% of Total Budget	23.9%	34.9%	20.1%	2.8%	18.3%	100.0%
M. 2005-07	\$505.57	\$664.68	\$387.16	\$56.61	\$375.43	\$1,989.45
% of Total Budget	25.4%	33.4%	19.5%	2.8%	18.9%	100.0%
N. 2007-09	\$621.70	\$749.51	\$468.65	\$76.29	\$545.82	\$2,461.97
% of Total Budget	25.3%	30.4%	19.0%	3.1%	22.2%	100.0%
O. 2009-11 (Adj)	\$701.23	\$860.74	\$593.29	\$97.61	\$1,006.49	\$3,259.36
% of Total Budget	21.5%	26.4%	18.2%	3.0%	30.9%	100.0%
P. 2011-13	\$977.70	\$945.95	\$655.78	\$97.90	\$1,389.52	\$4,066.85
% of Total Budget	24.0%	23.3%	16.1%	2.4%	34.2%	100.0%
Q. 2013-15 Exec Recom	\$1,237.89	\$1,093.01	\$912.56	\$108.32	\$1,434.39	\$4,786.17
% of Total Budget	25.9%	22.8%	19.1%	2.3%	30.0%	100.0%
R. Percent increase from 2003-05 to 2013-15	188%	74%	152%	113%	333%	165%
S. Percent increase from 1981-83 to 2013-15	528%	171%	365%	234%	712%	376%

North Dakota University System Fall Headcount enrollment  
 North Dakota University System Fall Headcount enrollment  
 Percent change in enrollment - North Dakota University System  
 K-12 public enrollment  
 K-12 public enrollment  
 Percent change in enrollment - K-12

1981 = 32,257  
 2010 = 48,120  
 + 49.2%  
 1981 = 117,206  
 2010 = 94,729  
 - 19.2%

**NOTES:**

1 A larger portion of Foundation Aid funding was from special funds in 1981-83 since a portion of oil and gas taxes were dedicated funds from Foundation Aid in 1981-83.

Includes capital projects funded from general fund cash (excludes state bonded projects).

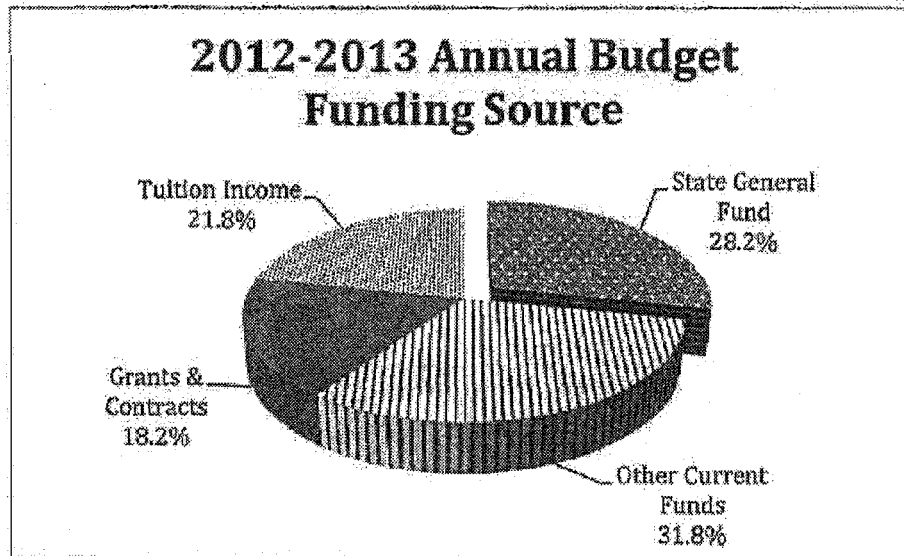
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## North Dakota University System 2012-13 ANNUAL BUDGET HIGHLIGHTS

The 2012-13 operating budget for the North Dakota University System is over \$1.2 billion. Approximately 28 percent of operations are supported by the state general fund. The remainder of the operations for the University System are self-supporting through tuition and fees, room and board charges paid by students, and private and federal research grant and contract collections. The following chart compares the funding sources for the 2012-13 and adjusted 2011-12 operating budgets.

Funding Source	2012-13 Operating Budget		2011-12 Adjusted Operating Budget	
	Total	Percent of Total Operating Budget	Total	Percent of Total Operating Budget
Tuition Income	\$272.12 million	21.8%	\$266.28 million	21.7%
Grants and Contracts	226.81 million	18.2%	234.31 million	19.1%
Other Current Funds	396.56 million	31.8%	387.15 million	31.6%
Subtotal	\$895.49 million	71.8%	\$887.84 million	72.4%
State General Fund	351.70 million	28.2%	337.67 million	27.6%
<b>TOTAL</b>	<b>\$1.25 billion<sup>1</sup></b>	<b>100.0%</b>	<b>\$1.23 billion<sup>1</sup></b>	<b>100.0%</b>

*<sup>1</sup>Does not include \$207 million budgeted for capital improvements, deferred maintenance and capital projects (including 09-11 estimated carryover) for 2012-13, and \$56 million budgeted for 2011-12.*





**Graduate rate cohort as a percent of all undergraduates and as a percent of total entering students**

**Graduation rates of full-time first-time, degree/certificate-seeking undergraduates**

Measure	Bismarck State College					
	AY 2010		AY 2011		AY 2012	
	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>
Graduation rate cohort as percent of entering class <sup>1</sup>	71%	45%	67%	36%	45%	30%
Graduation rate, overall <sup>2</sup>	34%	28%	39%	24%	40%	23%

BSC's figures include a combined grad rate for two year and four year programs, and as a result is not comparable to the 150-200 calculation.

NOTE: Graduation rates are the Student Right-to-Know (SRK) rates

<sup>1</sup>Graduation rate cohort as percent of entering class - all full-time, first-time degree/certificate-seeking undergraduate students

<sup>2</sup>Graduation rate, overall - Cohort as a percent of all students in the cohort

<sup>3</sup>Four-year completion rate - calculated using the same methodology as the Student Right-to-Know

<sup>4</sup>Six-year completion rate - the Student Right-to-Know (SRK) rate

<sup>5</sup>Eight-year completion rate - calculated using the same methodology as the Student Right-to-Know

Graduation Rates — IPEDS graduation rates are those developed to satisfy the requirements of the Student Right-to Know and Higher Education Opportunity Acts and are defined as the total number of individuals from a given cohort of full-time, first-time degree/certificate-seeking undergraduates who completed a degree or certificate within a given percent of normal time (for a degree or certificate) before the ending status date of August 31, divided by the entire cohort of full-time, first-time degree/certificate-seeking undergraduates minus any allowable exclusions. Institutions are permitted to exclude from the initial cohort students who died or were totally and permanently disabled; those who left school to serve in the armed forces or were called to active duty; those who left to serve with a foreign aid service of federal government, such as the Peace Corps; and those who left to serve on an official church mission.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)

<http://nces.ed.gov/ipeds/DataCenter/DfrFiles/>

Spring 2010, Fall Enrollment component and Graduation Rates component

Spring 2011, Fall Enrollment component and Graduation Rates component

Spring 2012, Fall Enrollment component and Graduation Rates component

**Graduate rate cohort as a percent of all undergraduates and as a percent of total entering students**  
**Graduation rates of 2 year, 150% of normal time, and 200% of normal time**

Measure	Dakota College of Bottineau					
	AY 2010		AY 2011		AY 2012	
	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>
Graduation rate cohort as percent of entering class <sup>1</sup>	30%	30%	34%	41%	37%	40%
Graduation rate, overall <sup>2</sup>	38%	21%	32%	29%	37%	25%
Normal time <sup>3</sup>	30%	16%	37%	21%	26%	20%
150% of normal time <sup>4</sup>	34%	26%	38%	21%	32%	29%
200% of normal time <sup>5</sup>	37%	29%	39%	24%	34%	31%

NOTE: Graduation rates are the Student Right-to-Know (SRK) rates

<sup>1</sup>Graduation rate cohort as percent of entering class - all full-time, first-time degree/certificate-seeking undergraduate students

<sup>2</sup>Graduation rate, overall - Cohort as a percent of all students in the cohort

<sup>3</sup>Four-year completion rate - calculated using the same methodology as the Student Right-to-Know

<sup>4</sup>Six-year completion rate - the Student Right-to-Know (SRK) rate

<sup>5</sup>Eight-year completion rate - calculated using the same methodology as the Student Right-to-Know

Graduation Rates — IPEDS graduation rates are those developed to satisfy the requirements of the Student Right to Know and Higher Education Opportunity Acts and are defined as the total number of individuals from a given cohort of full-time, first-time degree/certificate-seeking undergraduates who completed a degree or certificate within a given percent of normal time (for a degree or certificate) before the ending status date of August 31, divided by the entire cohort of full-time, first-time degree/certificate-seeking undergraduates minus any allowable exclusions. Institutions are permitted to exclude from the initial cohort students who died or were totally and permanently disabled; those who left school to serve in the armed forces or were called to active duty; those who left to serve with a foreign aid service of federal government, such as the Peace Corps; and those who left to serve on an official church mission.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)  
<http://nces.ed.gov/ipeds/DataCenter/DfrFiles/>

Spring 2010, Fall Enrollment component and Graduation Rates component

Spring 2011, Fall Enrollment component and Graduation Rates component

Spring 2012, Fall Enrollment component and Graduation Rates component

**Graduate rate cohort as a percent of all undergraduates and as a percent of total entering students**

**Graduation rates of 2 year, 150% of normal time, and 200% of normal time**

Measure	Lake Region State College					
	AY 2010		AY 2011		AY 2012	
	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>
Graduation rate cohort as percent of entering class <sup>1</sup>	58%	44%	18%	50%	14%	60%
Graduation rate, overall <sup>2</sup>	39%	39%	45%	37%	52%	40%
Normal time <sup>3</sup>	34%	32%	31%	35%	45%	28%
150% of normal time <sup>4</sup>	35%	34%	39%	39%	45%	34%
200% of normal time <sup>5</sup>	37%	50%	41%	43%	47%	36%

NOTE: Graduation rates are the Student Right-to-Know (SRK) rates

<sup>1</sup>Graduation rate cohort as percent of entering class - all full-time, first-time degree/certificate-seeking undergraduate students

<sup>2</sup>Graduation rate, overall - Cohort as a percent of all students in the cohort

<sup>3</sup>Four-year completion rate - calculated using the same methodology as the Student Right-to-Know

<sup>4</sup>Six-year completion rate - the Student Right-to-Know (SRK) rate

<sup>5</sup>Eight-year completion rate - calculated using the same methodology as the Student Right-to-Know

Graduation Rates — IPEDS graduation rates are those developed to satisfy the requirements of the Student Right-to Know and Higher Education Opportunity Acts and are defined as the total number of individuals from a given cohort of full-time, first-time degree/certificate-seeking undergraduates who completed a degree or certificate within a given percent of normal time (for a degree or certificate) before the ending status date of August 31, divided by the entire cohort of full-time, first-time degree/certificate-seeking undergraduates minus any allowable exclusions. Institutions are permitted to exclude from the initial cohort students who died or were totally and permanently disabled; those who left school to serve in the armed forces or were called to active duty; those who left to serve with a foreign aid service of federal government, such as the Peace Corps; and those who left to serve on an official church mission.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)

<http://nces.ed.gov/ipeds/DataCenter/DfrFiles/>

Spring 2010, Fall Enrollment component and Graduation Rates component

Spring 2011, Fall Enrollment component and Graduation Rates component

Spring 2012, Fall Enrollment component and Graduation Rates component

Spring 2012, Fall Enrollment component and Graduation Rates component

**Graduate rate cohort as a percent of all undergraduates and as a percent of total entering students**

**Graduation rates of 2 years, 150% of normal time, & 200% of normal time**

Measure	North Dakota State College of Science					
	AY 2010		AY 2011		AY 2012	
	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>
Graduation rate cohort as percent of entering class <sup>1</sup>	77%	42%	32%	39%	75%	43%
Graduation rate, overall <sup>2</sup>	42%	33%	42%	32%	52%	29%
Normal time <sup>3</sup>	34%	27%	0%	26%	33%	23%
150% of normal time <sup>4</sup>	41%	33%	42%	32%	42%	32%
200% of normal time <sup>5</sup>	44%	38%	46%	37%	44%	34%

NOTE: Graduation rates are the Student Right-to-Know (SRK) rates

<sup>1</sup>Graduation rate cohort as percent of entering class - all full-time, first-time degree/certificate-seeking undergraduate students

<sup>2</sup>Graduation rate, overall - Cohort as a percent of all students in the cohort

<sup>3</sup>Four-year completion rate - calculated using the same methodology as the Student Right-to-Know

<sup>4</sup>Six-year completion rate - the Student Right-to-Know (SRK) rate

<sup>5</sup>Eight-year completion rate - calculated using the same methodology as the Student Right-to-Know

Graduation Rates — IPEDS graduation rates are those developed to satisfy the requirements of the Student Right-to Know and Higher Education Opportunity Acts and are defined as the total number of individuals from a given cohort of full-time, first-time degree/certificate-seeking undergraduates who completed a degree or certificate within a given percent of normal time (for a degree or certificate) before the ending status date of August 31, divided by the entire cohort of full-time, first-time degree/certificate-seeking undergraduates minus any allowable exclusions. Institutions are permitted to exclude from the initial cohort students who died or were totally and permanently disabled; those who left school to serve in the armed forces or were called to active duty; those who left to serve with a foreign aid service of federal government, such as the Peace Corps; and those who left to serve on an official church mission.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)

<http://nces.ed.gov/ipeds/DataCenter/DfrFiles/>

Spring 2010, Fall Enrollment component and Graduation Rates component

Spring 2011, Fall Enrollment component and Graduation Rates component

Spring 2012, Fall Enrollment component and Graduation Rates component



**Graduate rate cohort as a percent of all undergraduates and as a percent of total entering students**  
**Graduation rates of 2 years, 150% of normal time, & 200% of normal time**

Measure	Williston State College					
	AY 2010		AY 2011		AY 2012	
	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>
Graduation rate cohort as percent of entering class <sup>1</sup>	30%	47%	30%	50%	28%	45%
Graduation rate, overall <sup>2</sup>	38%	39%	36%	39%	40%	37%
Normal time <sup>3</sup>	25%	33%	32%	35%	30%	35%
150% of normal time <sup>4</sup>	30%	35%	38%	39%	36%	39%
200% of normal time <sup>5</sup>	33%	50%	40%	43%	37%	42%

NOTE: Graduation rates are the Student Right-to-Know (SRK) rates

<sup>1</sup>Graduation rate cohort as percent of entering class - all full-time, first-time degree/certificate-seeking undergraduate students

<sup>2</sup>Graduation rate, overall - Cohort as a percent of all students in the cohort

<sup>3</sup>Four-year completion rate - calculated using the same methodology as the Student Right-to-Know

<sup>4</sup>Six-year completion rate - the Student Right-to-Know (SRK) rate

<sup>5</sup>Eight-year completion rate - calculated using the same methodology as the Student Right-to-Know

Graduation Rates — IPEDS graduation rates are those developed to satisfy the requirements of the Student Right-to Know and Higher Education Opportunity Acts and are defined as the total number of individuals from a given cohort of full-time, first-time degree/certificate-seeking undergraduates who completed a degree or certificate within a given percent of normal time (for a degree or certificate) before the ending status date of August 31, divided by the entire cohort of full-time, first-time degree/certificate-seeking undergraduates minus any allowable exclusions. Institutions are permitted to exclude from the initial cohort students who died or were totally and permanently disabled; those who left school to serve in the armed forces or were called to active duty; those who left to serve with a foreign aid service of federal government, such as the Peace Corps; and those who left to serve on an official church mission.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)  
<http://nces.ed.gov/ipeds/DataCenter/DfrFiles/>

Spring 2010, Fall Enrollment component and Graduation Rates component

Spring 2011, Fall Enrollment component and Graduation Rates component

Spring 2012, Fall Enrollment component and Graduation Rates component

**Graduate rate cohort as a percent of all undergraduates and as a percent of total entering students**  
**Bachelor's degree graduation rates of full-time first-time, degree/certificate-seeking undergraduates**  
**within 4 years, 6 years, and 8 years**

Measure	Dickinson State University					
	AY 2010		AY 2011		AY 2012	
	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>
Graduation rate cohort as percent of entering class <sup>1</sup>	44%	59%	49%	56%	73%	59%
Graduation rate, overall <sup>2</sup>	31%	35%	42%	36%	41%	35%
Four year completion rate <sup>3</sup>	11%	16%	9%	15%	—	14%
Six year completion rate <sup>4</sup>	31%	38%	33%	37%	—	35%
Eight year completion rate <sup>5</sup>	31%	40%	33%	40%	—	39%

NOTE: Graduation rates are the Student Right-to-Know (SRK) rates

<sup>1</sup>Graduation rate cohort as percent of entering class - all full-time, first-time degree/certificate-seeking undergraduate students

<sup>2</sup>Graduation rate, overall - Cohort as a percent of all students in the cohort

<sup>3</sup>Four-year completion rate - calculated using the same methodology as the Student Right-to-Know

<sup>4</sup>Six-year completion rate - the Student Right-to-Know (SRK) rate

<sup>5</sup>Eight-year completion rate - calculated using the same methodology as the Student Right-to-Know

Graduation Rates — IPEDS graduation rates are those developed to satisfy the requirements of the Student Right-to-Know and Higher Education Opportunity Acts and are defined as the total number of individuals from a given cohort of full-time, first-time degree/certificate-seeking undergraduates who completed a degree or certificate within a given percent of normal time (for a degree or certificate) before the ending status date of August 31, divided by the entire cohort of full-time, first-time degree/certificate-seeking undergraduates minus any allowable exclusions. Institutions are permitted to exclude from the initial cohort students who died or were totally and permanently disabled; those who left school to serve in the armed forces or were called to active duty; those who left to serve with a foreign aid service of federal government, such as the Peace Corps; and those who left to serve on an official church mission.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)  
<http://nces.ed.gov/ipeds/DataCenter/DfrFiles/>

Spring 2010, Fall Enrollment component and Graduation Rates component  
 Spring 2011, Fall Enrollment component and Graduation Rates component  
 Spring 2012, Fall Enrollment component and Graduation Rates component

**Graduate rate cohort as a percent of all undergraduates and as a percent of total entering students**

**Bachelor's degree graduation rates of full-time first-time, degree/certificate-seeking undergraduates within 4 years, 6 years, and 8 years**

Measure	Mayville State University					
	AY 2010		AY 2011		AY 2012	
	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>
Graduation rate cohort as percent of entering class <sup>1</sup>	31%	62%	29%	57%	35%	61%
Graduation rate, overall <sup>2</sup>	38%	39%	30%	38%	26%	41%
Four year completion rate <sup>3</sup>	15%	22%	26%	17%	22%	21%
Six year completion rate <sup>4</sup>	29%	45%	41%	39%	38%	38%
Eight year completion rate <sup>5</sup>	33%	47%	42%	42%	39%	41%

NOTE: Graduation rates are the Student Right-to-Know (SRK) rates

<sup>1</sup>Graduation rate cohort as percent of entering class - all full-time, first-time degree/certificate-seeking undergraduate students

<sup>2</sup>Graduation rate, overall - Cohort as a percent of all students in the cohort

<sup>3</sup>Four-year completion rate - calculated using the same methodology as the Student Right-to-Know

<sup>4</sup>Six-year completion rate - the Student Right-to-Know (SRK) rate

<sup>5</sup>Eight-year completion rate - calculated using the same methodology as the Student Right-to-Know

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SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)  
<http://nces.ed.gov/ipeds/DataCenter/DfrFiles/>

Spring 2010, Fall Enrollment component and Graduation Rates component  
 Spring 2011, Fall Enrollment component and Graduation Rates component  
 Spring 2012, Fall Enrollment component and Graduation Rates component

**Graduate rate cohort as a percent of all undergraduates and as a percent of total entering students  
Bachelor's degree graduation rates of full-time first-time, degree/certificate-seeking undergraduates  
within 4 years, 6 years, and 8 years**

Measure	Valley City State University					
	AY 2010		AY 2011		AY 2012	
	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>
Graduation rate cohort as percent of entering class <sup>1</sup>	67%	60%	57%	57%	44%	61%
Graduation rate, overall <sup>2</sup>	43%	38%	40%	38%	42%	40%
Four year completion rate <sup>3</sup>	29%	19%	30%	17%	23%	21%
Six year completion rate <sup>4</sup>	53%	42%	48%	39%	43%	38%
Eight year completion rate <sup>5</sup>	54%	44%	51%	42%	46%	40%

NOTE: Graduation rates are the Student Right-to-Know (SRK) rates

<sup>1</sup>Graduation rate cohort as percent of entering class - all full-time, first-time degree/certificate-seeking undergraduate students

<sup>2</sup>Graduation rate, overall - Cohort as a percent of all students in the cohort

<sup>3</sup>Four-year completion rate - calculated using the same methodology as the Student Right-to-Know

<sup>4</sup>Six-year completion rate - the Student Right-to-Know (SRK) rate

<sup>5</sup>Eight-year completion rate - calculated using the same methodology as the Student Right-to-Know

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SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)

<http://nces.ed.gov/ipeds/DataCenter/DfrFiles/>

Spring 2010, Fall Enrollment component and Graduation Rates component

Spring 2011, Fall Enrollment component and Graduation Rates component

Spring 2012, Fall Enrollment component and Graduation Rates component



**Graduate rate cohort as a percent of all undergraduates and as a percent of total entering students  
Bachelor's degree graduation rates of full-time first-time, degree/certificate-seeking undergraduates  
within 4 years, 6 years, and 8 years**

Measure	Minot State University					
	AY 2010		AY 2011		AY 2012	
	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>
Graduation rate cohort as percent of entering class <sup>1</sup>	39%	60 %	40%	56%	40%	58%
Graduation rate, overall <sup>2</sup>	34%	50%	39%	49%	33%	50%
Four year completion rate <sup>3</sup>	11%	21%	13%	21%	17%	23%
Six year completion rate <sup>4</sup>	31%	48%	30%	50%	34%	50%
Eight year completion rate <sup>5</sup>	34%	51%	37%	53%	37%	53%

NOTE: Graduation rates are the Student Right-to-Know (SRK) rates

<sup>1</sup>Graduation rate cohort as percent of entering class - all full-time, first-time degree/certificate-seeking undergraduate students

<sup>2</sup>Graduation rate, overall - Cohort as a percent of all students in the cohort

<sup>3</sup>Four-year completion rate - calculated using the same methodology as the Student Right-to-Know

<sup>4</sup>Six-year completion rate - the Student Right-to-Know (SRK) rate

<sup>5</sup>Eight-year completion rate - calculated using the same methodology as the Student Right-to-Know

Graduation Rates — IPEDS graduation rates are those developed to satisfy the requirements of the Student Right to Know and Higher Education Opportunity Acts and are defined as the total number of individuals from a given cohort of full-time, first-time degree/certificate-seeking undergraduates who completed a degree or certificate within a given percent of normal time (for a degree or certificate) before the ending status date of August 31, divided by the entire cohort of full-time, first-time degree/certificate-seeking undergraduates minus any allowable exclusions. Institutions are permitted to exclude from the initial cohort students who died or were totally and permanently disabled; those who left school to serve in the armed forces or were called to active duty; those who left to serve with a foreign aid service of federal government, such as the Peace Corps; and those who left to serve on an official church mission.

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<http://nces.ed.gov/ipeds/DataCenter/DfrFiles/>

Spring 2010, Fall Enrollment component and Graduation Rates component

Spring 2011, Fall Enrollment component and Graduation Rates component

**Graduate rate cohort as a percent of all undergraduates and as a percent of total entering students  
Bachelor's degree graduation rates of full-time first-time, degree/certificate-seeking undergraduates  
within 4 years, 6 years, and 8 years**

Measure	University of North Dakota					
	AY 2010		AY 2011		AY 2012	
	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>
Graduation rate cohort as percent of entering class <sup>1</sup>	64%	67%	63%	65%	61%	67%
Graduation rate, overall <sup>2</sup>	54%	58%	51%	56%	54%	55%
Four year completion rate <sup>3</sup>	22%	22%	22%	21%	23%	24%
Six year completion rate <sup>4</sup>	54%	56%	54%	51%	54%	58%
Eight year completion rate <sup>5</sup>	57%	62%	58%	60%	58%	62%

NOTE: Graduation rates are the Student Right-to-Know (SRK) rates

<sup>1</sup>Graduation rate cohort as percent of entering class - all full-time, first-time degree/certificate-seeking undergraduate students

<sup>2</sup>Graduation rate, overall - Cohort as a percent of all students in the cohort

<sup>3</sup>Four-year completion rate - calculated using the same methodology as the Student Right-to-Know

<sup>4</sup>Six-year completion rate - the Student Right-to-Know (SRK) rate

<sup>5</sup>Eight-year completion rate - calculated using the same methodology as the Student Right-to-Know

Graduation Rates — IPEDS graduation rates are those developed to satisfy the requirements of the Student Right-to Know and Higher Education Opportunity Acts and are defined as the total number of individuals from a given cohort of full-time, first-time degree/certificate-seeking undergraduates who completed a degree or certificate within a given percent of normal time (for a degree or certificate) before the ending status date of August 31, divided by the entire cohort of full-time, first-time degree/certificate-seeking undergraduates minus any allowable exclusions. Institutions are permitted to exclude from the initial cohort students who died or were totally and permanently disabled; those who left school to serve in the armed forces or were called to active duty; those who left to serve with a foreign aid service of federal government, such as the Peace Corps; and those who left to serve on an official church mission.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)  
<http://nces.ed.gov/ipeds/DataCenter/DfrFiles/>

Spring 2010, Fall Enrollment component and Graduation Rates component  
Spring 2011, Fall Enrollment component and Graduation Rates component  
Spring 2012, Fall Enrollment component and Graduation Rates component

**Graduate rate cohort as a percent of all undergraduates and as a percent of total entering students**  
**Bachelor's degree graduation rates of full-time first-time, degree/certificate-seeking undergraduates**  
**within 4 years, 6 years, and 8 years**

Measure	North Dakota State University					
	AY 2010		AY 2011		AY 2012	
	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>	<i>Campus</i>	<i>National Average</i>
Graduation rate cohort as percent of entering class <sup>1</sup>	71%	73%	71%	72%	74%	73%
Graduation rate, overall <sup>2</sup>	52%	60%	51%	60%	54%	63%
Four year completion rate <sup>3</sup>	14%	32%	19%	33%	22%	34%
Six year completion rate <sup>4</sup>	47%	60%	47%	59%	52%	60%
Eight year completion rate <sup>5</sup>	51%	63%	53%	62%	56%	62%

NOTE: Graduation rates are the Student Right-to-Know (SRK) rates

<sup>1</sup>Graduation rate cohort as percent of entering class - all full-time, first-time degree/certificate-seeking undergraduate students

<sup>2</sup>Graduation rate, overall - Cohort as a percent of all students in the cohort

<sup>3</sup>Four-year completion rate - calculated using the same methodology as the Student Right-to-Know

<sup>4</sup>Six-year completion rate - the Student Right-to-Know (SRK) rate

<sup>5</sup>Eight-year completion rate - calculated using the same methodology as the Student Right-to-Know

Graduation Rates — IPEDS graduation rates are those developed to satisfy the requirements of the Student Right-to Know and Higher Education Opportunity Acts and are defined as the total number of individuals from a given cohort of full-time, first-time degree/certificate-seeking undergraduates who completed a degree or certificate within a given percent of normal time (for a degree or certificate) before the ending status date of August 31, divided by the entire cohort of full-time, first-time degree/certificate-seeking undergraduates minus any allowable exclusions. Institutions are permitted to exclude from the initial cohort students who died or were totally and permanently disabled; those who left school to serve in the armed forces or were called to active duty; those who left to serve with a foreign aid service of federal government, such as the Peace Corps; and those who left to serve on an official church mission.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)  
<http://nces.ed.gov/ipeds/DataCenter/DfrFiles/>

Spring 2010, Fall Enrollment component and Graduation Rates component

Spring 2011, Fall Enrollment component and Graduation Rates component

Spring 2012, Fall Enrollment component and Graduation Rates component

### NDUS FTE Employee Summary

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Appropriation (general fund and tuition income)	Agency Funds	Auxiliary	Grant and Contract	Other Local	Other Restricted	TOTAL
<b>10/31/2012</b>	5,161.7	85.9	667.4	925.1	1,228.8	5.9	8,074.8
<b>10/31/2011</b>	5,012.0	87.9	665.1	1,000.7	1,228.9	6.5	8,001.1
<b>10/31/2010</b>	4,890.1	83.6	661.3	986.0	1,290.8	5.5	7,917.3
<b>10/31/2009</b>	4,789.2	84.0	647.4	914.9	1,272.0	5.6	7,713.0
<b>10/31/2008</b>	4,599.1	62.9	647.6	838.6	1,204.3	12.3	7,364.7
<b>10/31/2007</b>	4,456.1	62.6	649.6	824.7	1,153.8	10.7	7,157.5
<b>10/31/2006</b>	4,356.2	60.3	639.9	919.1	1,160.5	10.7	7,146.6
<b>10/31/2005</b>	4,344.5	63.1	640.7	977.1	1,132.0	6.8	7,164.1

Source: CAFR FTE summary - HE FTE Sum Rpts (OMB, CAFR)

NOTE: In 2005, all campuses converted to ConnectND finance and HR systems; data prior to that in legacy systems is not available.

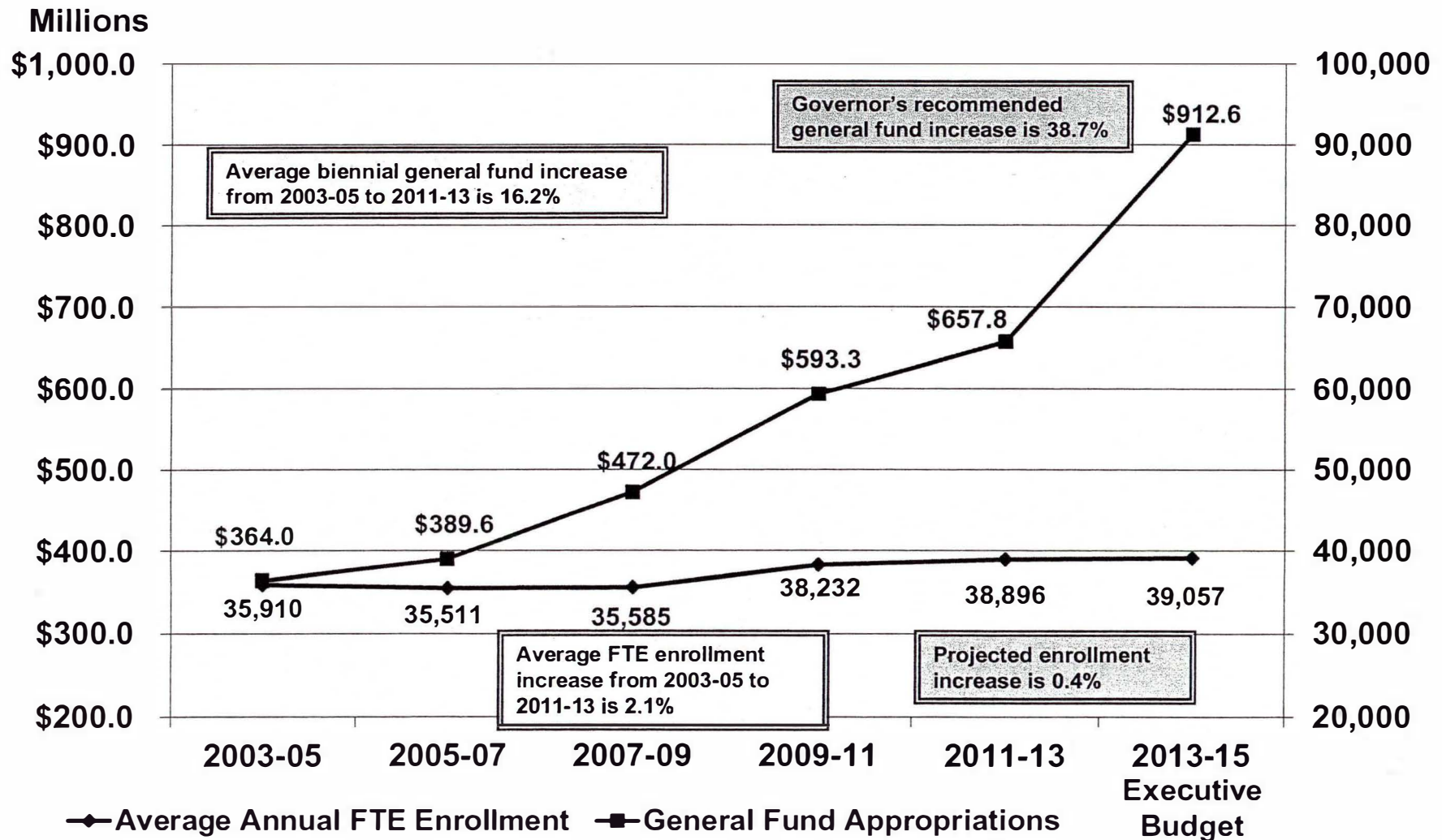
Includes all regular benefited employees (<800000), temporary non-benefited (between 2210001-222099), primary and secondary jobs, active status.

Does not include student or other part-time employees (800000-999999)

G:\LAURA\excel\employees\[FTE Summary CAFR by funding source 2005 to 2012.xlsx]high level summary



# Higher Education – General Fund Appropriations and Full-Time Equivalent (FTE) Enrollments



56471 (1)

## North Dakota University System

HCR 3047 – Senate Judiciary Committee

March 27, 2013

Hamid A. Shirvani

Good morning, Mr. Chairman and members of the committee. I am Ham Shirvani, Chancellor of the North Dakota University System. I appear before you today on behalf of the State Board of Higher Education in opposition to HCR 3047. I will outline the reasons why this bill will be harmful to our university system, educational institutions, students, faculty and staff.

If HCR 3047 passes the legislature and the proposed constitutional amendment is approved by the electorate, the eleven institutions of higher education in North Dakota will face losing their accreditation. This will result in a cascade of financial and other problems for the state, our students, our faculty and our institutions. For example, if we lose accreditation, students at our campuses will be ineligible for federal financial aid. This would significantly obstruct their ability to attend college in North Dakota because they will have to pay all tuition and other costs out-of-pocket. The burden on students – especially those who do not have significant financial resources of their own – would be enormous.

Enrollment would drop precipitously because of the financial barriers to students and also because students would not want to obtain degrees from unaccredited institutions. We would likely lose many faculty members for the same reason, and the drop in enrollment may make several, if not all, of our institutions financially unworkable. It is not an overstatement to say that loss of accreditation would be disastrous for North Dakota.

The reason we would lose accreditation if HCR 3047 results in a constitutional amendment is because the amendment would eliminate an independent board for the North Dakota University System. In the United States, colleges and universities – including all eleven institutions in the North Dakota University System – are accredited by the Higher Learning Commission (HLC). The HLC imposes several requirements on institutions that necessitate an independent board. These are outlined in the attached letter that Ms. Sylvia Manning, the President of HLC, sent to Ms. Anita Thomas at the Legislative Council. Ms. Manning forwarded a copy of the letter to me, and I offer it to you for your consideration.

I would also like to draw your attention specifically to the HLC’s Core Component 2.C, which states that an accredited institution must have a governing board that is “sufficiently autonomous to make decisions in the best interest of the institution and to assure its integrity.” A Governor-appointed, cabinet-level Director of Higher Education – as proposed in HCR 3047 – would not satisfy that Core Component. Nor would it comport with the other provisions laid out in Ms. Manning’s letter.

I appreciate your time today and will now take any questions you may have for me.

Tuesday, March 26, 2013 10:09:44 AM Central Daylight Time

**Subject:** Accreditation Implications of Resolution  
**Date:** Wednesday, March 20, 2013 1:21:13 PM Central Daylight Time  
**From:** Shirvani, Hamid  
**To:** smanning@hlcommission.org

Dear Dr. Manning,

As you may be aware, a resolution is currently before the North Dakota Legislature that would create and enact a new section to the state’s Constitution replacing the current State Board of Higher Education with a Department of Higher Education whose director would be appointed by the governor for a three-year renewal term.

I have enclosed the wording of the resolution:

Sixty-third Legislative Assembly of North Dakota

Introduced by  
Representatives Carlson, Martinson, Nathe, Vigesaa  
Senators Grindberg, Hogue, Schaible

A concurrent resolution to create and enact a new section to article VIII of the Constitution of North Dakota, relating to the creation of a department of higher education; to repeal section 6 of article VIII of the Constitution of North Dakota, relating to the state board of higher education; and to provide an effective date.

STATEMENT OF INTENT

This measure would create a department of higher education beginning on July 1, 2015, with the charge that the department oversee and administer the provision of all public higher education in this state.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the following proposed new section to article VIII of the Constitution of North Dakota and the repeal of section 6 of article VIII of the Constitution of North Dakota are agreed to and must be submitted to the qualified electors of North Dakota at the general election to be held in 2014, in accordance with section 16 of article IV of the Constitution of North Dakota.

SECTION 1.

A new section to article VIII of the Constitution of North Dakota is created and enacted as follows:

1. The department of higher education is created for the purpose of overseeing and administering the provision of public higher education at sites that include Bismarck, Bottineau, Devils Lake, Dickinson, Fargo, Grand Forks, Mayville, Minot, Valley City, Wahpeton, and Williston.
2. The governor shall appoint the director of the department of higher education, who shall serve as the chief executive officer of the department. The appointment must be for a term of three years and may be renewed for like terms. The director may be removed by the governor for cause.

- 2
3. The director must:
    - a. Have a dossier that reflects national stature as a scholar and leader;
    - b. Have a record of senior level managerial experience in education, business, the public sector, or government;
    - c. Be uniquely familiar with the broad spectrum of higher education administration and delivery; and
    - d. Be committed to the development and maintenance of an educational system that provides opportunities for students, through academic pursuits and technical training, to meet the educational and workforce challenges of the current decade and beyond.
  4.
    - a. The director has full executive responsibility for the management and operation of the North Dakota university system, within constitutional and statutory requirements and limitations.
    - b. The director shall hire a president for each institution within the system and each president shall report to the director.

SECTION 2. REPEAL.

Section 6 of article VIII of the Constitution of North Dakota is repealed.

SECTION 3. EFFECTIVE DATE.

If approved by the electors, this measure becomes effective on July 1, 2015.

On your website there is the statement:

- 2.C. The governing board of the institution is sufficiently autonomous to make decisions in the best interest of the institution and to assure its integrity.
1. The governing board's deliberations reflect priorities to preserve and enhance the institution.
  2. The governing board reviews and considers the reasonable and relevant interests of the institution's internal and external constituencies during its decision-making deliberations.
  3. The governing board preserves its independence from undue influence on the part of donors, elected officials, ownership interests, or other external parties when such influence would not be in the best interest of the institution.
  4. The governing board delegates day-to-day management of the institution to the administration and expects the faculty to oversee academic matters.

I would appreciate your providing me with an official statement from the HLC regarding the accreditation implications of the above resolution as it might affect our eleven public colleges and universities.

Regards,

Ham

H. A. Shirvani, Ph.D.  
Chancellor  
North Dakota University System  
600 E Boulevard Ave, Dept 215  
Bismarck ND 58505-0230  
Ph: 701.328.2974 Fax: 701.328.2961  
Email: [ham.shirvani@ndus.edu](mailto:ham.shirvani@ndus.edu)  
Web: [ndus.edu](http://ndus.edu)



2

Tuesday, March 26, 2013 10:10:28 AM Central Daylight Time

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**Subject:** Response to e-mail about North Dakota legislation

**Date:** Thursday, March 21, 2013 3:22:28 PM Central Daylight Time

**From:** Karen Solinski

**To:** ham.shirvani@ndus.edu

Dr. Shirvani,

President Manning has forwarded your recent e-mail and asked me to provide you with a copy of a letter recently sent Ms. Anita Thomas at the Legislative Council. Please let me know if you have any questions.

Karen Solinski

--

Karen L. Solinski  
Vice President for Legal and Governmental Affairs  
Higher Learning Commission  
230 South LaSalle Street, Suite 7-500  
Chicago, IL 60604  
800.621.7440 ext. 111  
ksolinski@hlcommission.org



March 20, 2013

Ms. Anita Thomas, Counsel  
North Dakota Legislative Council  
600 East Boulevard Avenue  
Bismarck, ND 58505-0360

Dear Ms. Thomas:

I have recently become aware of a proposed constitutional amendment in North Dakota that would change the governance of eleven institutions in North Dakota that are accredited by the Higher Learning Commission (“the Commission”). You have also contacted us about this proposed amendment.

It would not be appropriate for me to comment directly on the legislation, especially as it is still in development. However, there are Commission requirements that you and others may want to consider as this legislation develops. The Commission carefully considers the governance of an institution in determining whether it merits accreditation. Several Commission requirements pertain to institutional governance. In particular:

- Eligibility Requirement #2 requires that an institution eligible for accreditation have a governing board with the necessary legal power to establish and review basic policies that govern the institution;
- Criterion Two, Core Component 2.C, requires that an accredited institution have a governing board that is sufficiently autonomous to make decisions in the best interest of the institution; and
- Criterion Five, Core Component 5.B requires that an accredited institution have a governance structure, including a governing board, that promotes effective leadership.

In addition, two of the Commission’s Assumed Practices (A.8, A.9) are predicated on the expectation that an accredited institution have a governing board. Clearly the concept behind the requirement for a governing board is that the collective wisdom of the governing board members working collaboratively with the chief executive officer and the faculty provides the optimal approach for oversight of a college or university and one that is premised on concepts in state statutes and common law for the oversight of profit and not-for-profit corporations. Finally, I should note that Commission policy provides the Commission with the authority, and indeed the responsibility, for assuring the compliance at all times of an accredited institution with these and other requirements.

2

Anita Thomas, March 20, 2013 2

My staff and I are available to answer any questions you or members of the North Dakota State Legislative Assembly may have about accreditation requirements. Please contact Karen Solinski, Vice President for Legal and Governmental Affairs at ext. 111 or [ksolinski@hlcommission.org](mailto:ksolinski@hlcommission.org).

Sincerely,

*Sylvia Manning*

Sylvia Manning  
President

cc: Karen Solinski, Vice President for Legal and Governmental Affairs, Higher Learning Commission



# NDSA

The Voice of the Students

Chairman Hogue, members of the Senate Judiciary Committee,

Good morning.

My name is Johan Mahlum and I am the elected Lobbyist of the North Dakota Student Association (NDSA). I am here to testify in opposition to House Concurrent Resolution 3047.

This resolution before the committee, if passed and confirmed by the electorate in 2014, would permanently eliminate the 76-year-old State Board of Higher Education (SBHE) that has guided the North Dakota University System (NDUS) for most of its existence. In doing so, it would as well entirely eliminate the direct student representation that has been guaranteed to us since 1993. The students of the NDUS have come to rely greatly on the 8<sup>th</sup> student member of the SBHE as a reliable channel to represent themselves in the decisions made by the board that dramatically affect them both financially and academically. Our representation on the board ensures that better policy is made, policy which takes the student perspective and the student interest, into account.

Furthermore, we the students are significant stakeholders of higher education in the state, funding 22% of the NDUS operating budget through our tuition. As such, we have an undeniable right to some say in where our investment is being spent. Student representation in NDUS governance should be increased, not entirely eliminated. It is only the just thing to do if North Dakota can truly be called a Representative Democracy.

In examining the reasons behind removing the SBHE, we feel it necessary to examine the reasons behind its establishment. Historical precedent gives insight on what the governance system of the NDUS might look like when it finds itself thrust back into the political realm of North Dakota

Prior to the founding of the SBHE, the NDUS was in political tumult. Institutional presidents were fired for their political affiliations and a change in administration brought about an entirely new higher education governance system. Several decades of political maneuvering through higher education in the state continued as such, culminating in 1937 with Governor William "Wild Bill" Langer firing seven faculty members of the North Dakota Agricultural College and politically pressuring its President to resign. This politically motivated action resulted in a loss of accreditation for the school and triggered massive protests.



The people of North Dakota, tired of political influence in higher education, swiftly initiated a Constitutional Amendment which established the politically insulated State Board of Higher Education that still governs the NDUS today.

In 1993, acknowledging the fact that students need and deserve a greater voice in the University System, The North Dakota Legislative Assembly referred a Constitutional Amendment to create a voting student member of the SBHE. Should this resolution pass North Dakota would be moving backwards, eliminating this student member and deafening itself to the concerns of the students that it claims to serve.

The North Dakota Student Association is an organization whose fundamental purpose centers around representing and advocating for students at all levels of state government. Therefore, we cannot idly stand by and watch such representation be stripped away in any manner. We are called to boldly serve the student interest and HCR 3047 is not consistent with that calling. Consequently, to the members of the committee who feel a similar calling to assist those who engage themselves in the pursuit of higher learning, we ask you to vote DO NOT PASS on HCR 3047. We encourage you to consider the many ways that representative partnerships with students can help foster better policy at our institutions of higher education throughout the state. As well we implore you to recognize our legitimate right to representation in the NDUS and to work with us to help foster greater student involvement in its policy in the years to come.

Johan Mahlum

North Dakota Student Association

Lobbyist

To: Senate Judiciary Committee

From: Shane Gerbert, Governmental Affairs Commissioner, UND Student Government

RE: Testimony on HCR3047

---

Mr. Chairman Hogue and Committee Members:

My name is Shane Gerbert, and I am registered lobbyist, representing UND Student Government as their Governmental Affairs Commissioner. I am testifying in regards to HCR 3047, and the stance of UND Student Senate on behalf of our peers.

Our stance is that we, as the students of UND as well as the NDUS, request that in the ongoing conversation regarding the governance structure of the university system in this great state, that you consider the addition of a student member with voting privileges on a deliberative, policy-making board.

Ideally, the current system provides us with such privilege. However, given the current conditions, students have come to the point where we realize that a new structure is indeed a realistic option. That is why I stand here today, Mr. Chairman and Committee Members. North Dakota is a state that values the input of all stakeholders, and as students all we ask is that we may have a seat at the table, and an equal voice.

In conclusion, Mr. Chairman, I will stand for questions, and I thank you for your consideration of this testimony. Please see the attached copy of the resolution from UND Student Senate.

Respectfully Submitted,

Shane Gerbert

Governmental Affairs Commissioner

UND Student Government

Attachments: 1

# Senate Resolution

**To:** The Student Senate of the University of North Dakota

**Authors:** Shane Gerbert-Governmental Affairs Commissioner, Eric Watne, Student Body Vice President

**Sponsors:** Alan Oberg – EHD Senator

**CC:** Logan Fletcher - Student Body President, Eric Watne - Student Body Vice President, Cassie Gerhardt - Student Government Advisor, Andrew Frelich – Student Government Office Manager, Student Body Treasurer –Derek Rood;

**Date:** 3/3/13

**Re:** Higher Education Governance and Operation Changes

2 Whereas, the North Dakota Legislature is considering the question of new governance for the public university system of the state, and

4 Whereas, the common thread of all proposals brought forth this year is to remove the language from the North Dakota Constitution that specifies the existence of the current State Board of Higher Education, and

6 Whereas, HCR 3047 creates a department of higher education under a director who is appointed by the governor, and

8 Whereas, student representation in matters of higher education governance at the state level has been a constitutionally-protected, voting member of the current SBHE, and

10 Whereas, a strong student voice on a higher education state-level governing board in North Dakota is an essential method of ensuring that concerns, issues and feedback be forwarded to the board in  
12 timely, efficient manner, and

14 Whereas, having a strong student member with voting privileges ensures that the same level of involvement, feedback and communication occurs.

16 Therefore, be it moved be it moved UND Student Senate, acting on behalf of the approximately 15,250 students of UND, that support that any system of higher education governance include a student member with full voting privileges.

18 Therefore, be it furthest moved that UND Student Senate set this as a lobbying goal for the 2013 Legislative Session.



NORTH DAKOTA  
PUBLIC EMPLOYEES ASSOCIATION

AMERICAN FEDERATION  
OF TEACHERS LOCAL 4660 AFL-CIO



301 NORTH 4TH STREET  
BISMARCK, NORTH DAKOTA 58501-4020

701-223-1964  
1-800-472-2698

EMAIL: [comments@ndpea.org](mailto:comments@ndpea.org)  
WEBSITE: <http://nd.aft.org/ndpea>

Testimony Regarding HCR 3047  
Before the Senate Judiciary Committee  
Stuart Savelkoul, Executive Director, NDPEA  
March 27, 2013

Good morning Chairman Hogue and members of the committee. My name is Stuart Savelkoul and I am the Executive Director of the North Dakota Public Employee Association. I am here today representing the interests of public employees across the state of North Dakota including the 2,600 members of NDPEA.

It has been a tumultuous few months for the North Dakota University System and the State Board of Higher Education. It has been a tumultuous few years. Our frustration can often result in a desire to blame and a desire to fix. There is plenty of blame to go around.

NDSU and UND have also found themselves under the microscope of some critics in recent years. What happened at Dickinson State is certainly a black mark on the state's educational history. Certainly, the office of the Chancellor has been criticized almost constantly over the last decade. So, we understand the desire for change. We understand why people are trying to figure out who to blame and why they are trying to fix the problems.

HCR 3047 does address some of the issues we've seen. It would, undoubtedly, streamline accountability. It would probably make the system more dynamic. It also has the potential to cost the university system its accreditation. If that were to happen, every school in the university system would lose access to federal aid and grants, and students would no longer be able to access student aid funds. This would virtually eliminate access to in-state higher education for North Dakota residents.

The cause of this loss of accreditation is a result of requiring college and university's to answer to a Governor through the newly created "Director" position.

According to the Higher Learning Commission, colleges and universities must answer to an independent and autonomous board in order to maintain accreditation. Two of the core components of accreditation, as identified by the HLC are:

- "The governing board of the institution is sufficiently autonomous to make decisions in the best interest of the institution and to assure its integrity..."
- "The governing board preserves its independence from undue influence on the part of donors, elected officials, ownership interests, or other external parties when such influence would not be in the best interest of the institution."

This resolution, if passed by the Senate and approved by the people of our state would dictate that, "the governor shall appoint the director of the department of higher education." It also gives the governor the authority to remove this director for cause. It then affords the director the authority to hire and fire university presidents.

Coincidentally, the reason we have the State Board today is a result of gubernatorial overreach by Governor Langer in the 1930's that resulted in NDSU – then called the North Dakota Agricultural College - losing its accreditation.

The University System in North Dakota is not perfect. However, it is not necessarily broken. But even if it is, HCR 3047 is unlikely to fix anything without causing more serious problems.

BRANCH OFFICES

Fargo: NDPEA, AFT  
3002 1st Ave N, Office #1  
Fargo, ND 58102  
701/232-8307  
1-800-422-0236

Jamestown: NDPEA, AFT  
104 1st Ave S, Suite 500  
Jamestown, ND 58401  
701/952-2501



PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3047

Page 1, line 2, replace "department" with "commission"

Page 1, line 6, replace "department" with "three-member commission"

Page 1, line 6, remove "with"

Page 1, line 7, replace "the charge that the department" with "to"

Page 1, line 17, replace "The department" with "A three-member commission"

Page 1, remove lines 21 through 25

Page 2, remove lines 1 through 9

Page 2, line 10, replace "4." with:

- "2. The governor shall appoint each member of the commission from a list of at least three nominees agreed to by a majority of the following:
  - a. The speaker of the house of representatives;
  - b. The president pro tempore of the senate;
  - c. The chief justice of the North Dakota supreme court;
  - d. The superintendent of public instruction; and
  - e. A representative of an educational interest group selected by three of the four aforementioned individuals.
- 3. The governor shall ensure that one member of the commission has leadership experience in a private sector business, industry, or service, and that one member, at the time of appointment, holds a professional position within the higher education sector. Each member of the commission must be confirmed by the senate.
- 4. The term of office for each commission member is four years, except that the initial terms must be staggered by lot so that no more than one member's term expires each year. Each term begins on July first and members may be reappointed to three consecutive terms.
- 5. A member of the commission is subject to removal by impeachment in the same manner as that established for the removal of the governor.
- 6."

Page 2, line 10, replace "director" with "commission"

Page 2, line 13, replace "director" with "commission"

Page 2, line 14, replace "director" with "commission"

Page 2, after line 14, insert:

"7. The legislative assembly may provide for the appointment of an advisory board that includes a faculty and a student representative."

Renumber accordingly

Comm. 3047  
wk  
②

13.3048.02005

Sixty-third  
Legislative Assembly  
of North Dakota

**HOUSE CONCURRENT RESOLUTION NO. 3047**

Introduced by

Representatives Carlson, Martinson, Nathe, Vigesaa

Senators Grindberg, Hogue, Schaible

1 A concurrent resolution to create and enact a new section to article VIII of the Constitution of  
2 North Dakota, relating to the creation of a ~~department~~commission of higher education; to repeal  
3 section 6 of article VIII of the Constitution of North Dakota, relating to the state board of higher  
4 education; and to provide an effective date.

**STATEMENT OF INTENT**

5  
6 This measure would create a ~~department~~three-member commission of higher education  
7 beginning on July 1, 2015, ~~with the charge that the department to~~ oversee and administer the  
8 provision of all public higher education in this state.

9 **BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE**  
10 **SENATE CONCURRING THEREIN:**

11 That the following proposed new section to article VIII of the Constitution of North Dakota  
12 and the repeal of section 6 of article VIII of the Constitution of North Dakota are agreed to and  
13 must be submitted to the qualified electors of North Dakota at the general election to be held in  
14 2014, in accordance with section 16 of article IV of the Constitution of North Dakota.

15 **SECTION 1.** A new section to article VIII of the Constitution of North Dakota is created and  
16 enacted as follows:

17 1. ~~The department~~A three-member commission of higher education is created for the  
18 purpose of overseeing and administering the provision of public higher education at  
19 sites that include Bismarck, Bottineau, Devils Lake, Dickinson, Fargo, Grand Forks,  
20 Mayville, Minot, Valley City, Wahpeton, and Williston.

21 ~~2. The governor shall appoint the director of the department of higher education, who~~  
22 ~~shall serve as the chief executive officer of the department. The appointment must be~~  
23 ~~for a term of three years and may be renewed for like terms. The director may be~~  
24 ~~removed by the governor for cause.~~

25 ~~3. The director must:~~

- 1 ~~a. Have a dossier that reflects national stature as a scholar and leader;~~
- 2 ~~b. Have a record of senior level managerial experience in education, business, the~~
- 3 ~~public sector, or government;~~
- 4 ~~c. Be uniquely familiar with the broad spectrum of higher education administration~~
- 5 ~~and delivery; and~~
- 6 ~~d. Be committed to the development and maintenance of an educational system~~
- 7 ~~that provides opportunities for students, through academic pursuits and technical~~
- 8 ~~training, to meet the educational and workforce challenges of the current decade~~
- 9 ~~and beyond.~~
- 10 ~~4.2. The governor shall appoint each member of the commission from a list of at least~~
- 11 ~~three nominees agreed to by a majority of the following:~~
- 12 ~~a. The speaker of the house of representatives;~~
- 13 ~~b. The president pro tempore of the senate;~~
- 14 ~~c. The chief justice of the North Dakota supreme court;~~
- 15 ~~d. The superintendent of public instruction; and~~
- 16 ~~e. A representative of an educational interest group selected by three of the four~~
- 17 ~~mentioned individuals.~~
- 18 ~~3. The governor shall ensure that one member of the commission has leadership~~
- 19 ~~experience in a private sector business, industry, or service, and that one member, at~~
- 20 ~~the time of appointment, holds a professional position within the higher education~~
- 21 ~~sector. Each member of the commission must be confirmed by the senate.~~
- 22 ~~4. The term of office for each commission member is four years, except that the initial~~
- 23 ~~terms must be staggered by lot so that no more than one member's term expires each~~
- 24 ~~year. Each term begins on July first and members may be reappointed to three~~
- 25 ~~consecutive terms.~~
- 26 ~~5. A member of the commission is subject to removal by impeachment in the same~~
- 27 ~~manner as that established for the removal of the governor.~~
- 28 ~~6. a. The ~~director~~ commission has full executive responsibility for the management and~~
- 29 ~~operation of the North Dakota university system, within constitutional and~~
- 30 ~~statutory requirements and limitations.~~



1            b. The ~~director~~ commission shall hire a president for each institution within the  
2            system and each president shall report to the ~~director~~ commission.

3            7. The legislative assembly may provide for the appointment of an advisory board that  
4            includes a faculty and a student representative.

5            **SECTION 2. REPEAL.** Section 6 of article VIII of the Constitution of North Dakota is  
6 repealed.

7            **SECTION 3. EFFECTIVE DATE.** If approved by the electors, this measure becomes  
8 effective on July 1, 2015.

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**OUR OPINION: Higher-ed amendment could threaten accreditation**  
Tom Dennis for the Herald, Grand Forks Herald (March 16, 2013)

# Our Opinion

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Most North Dakotans probably have never heard of the Chicago-based Higher Learning Commission.

But that may be about to change. For the Higher Learning Commission is the group charged with accrediting colleges and universities in the North Central region, which includes North Dakota.

And if a proposed amendment passed Friday by the North Dakota House becomes part of the state constitution, then it seems likely that all 11 of North Dakota's colleges and universities are going to run into serious accreditation problems.

That's because the amendment would vest full executive power over the schools in a director, who in turn would report to the governor.

But to be accredited, colleges and universities can't answer to a governor.

Colleges and universities must answer to a board. And not just any board, but an independent and autonomous board.

On its website, the Higher Learning Commission spells it out. Among its "Core Components" of accreditation, the commission lists the following:

- "The governing board of the institution is sufficiently autonomous to make decisions in the best interest of the institution and to assure its integrity...."
- "The governing board preserves its independence from undue influence on the part of donors, elected officials, ownership interests, or other external parties when such influence would not be in the best interest of the institution."

Contrast that with the text of HCR 3047, which says "the governor shall appoint the director of the department of higher education," "the director may be removed by the governor for cause" and "the director shall hire a president for each institution within the system, and each president shall report to the director."

You'll see that if HCR 3047 becomes part of the state's constitution, North Dakota's problems with higher education will have only just begun.

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These aren't just words on paper, as North Dakotans know — because the state has been here before. It was exactly this problem that led to the North Dakota Agricultural College (as North Dakota State University was called) losing its accreditation in the 1930s.

Back then, North Dakota's colleges were under executive branch control. And when then-Gov. "Wild Bill" Langer exercised that control by orchestrating the firing of seven faculty members, the North Central Association of Colleges and Secondary Schools — to this day, the Higher Learning Commission's parent organization — yanked the Agricultural College's accreditation.

The association did so, it said at the time, because there had been "undue influence" on the college's operation, classroom quality was "seriously jeopardized" and accrediting officials had no confidence in the presence of either "stable and constructive leadership" or "a sufficient degree of autonomy" for the college, a 1978 history recounted.

The net result was the constitutional amendment that created the State Board of Higher Education, which has served North Dakota for the past 75 years.

So, would the Higher Learning Commission take such action today? Ask the University of Phoenix. With 112 campuses and, in 2010, some 600,000 students worldwide, the for-profit school is America's largest university.

The Higher Learning Commission is not impressed. "The University of Phoenix, owned by the Apollo Group, has been told by U.S. accrediting organization the Higher Learning Commission that it is recommended for probation because the institution has 'insufficient autonomy' from its owner," Times Higher Education reported last week.

The subheadline to the story: "Accreditation change could leave U.S. for-profit's finances in ashes."

Speaking of ashes: After the "Purge of 1937," as Langer's firings were called, North Dakota students were so infuriated that they burned state officials in effigy.

This is the system that some in the state want to return to?

Independent governance is what sets American higher education apart. America's six regional accrediting agencies recognize it. The U.S. government recognizes it; that's why schools must be accredited to get federal grants and financial aid.

And the rest of the world recognizes it, too. The United States remains the world's undisputed leader in the all-important, 21st century field of higher education. North Dakota and its universities benefit tremendously from this status; and given those benefits, retaining an independent board is a small price to pay.