

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

40002

2005 SENATE EDUCATION

SCR 4002

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4002

Senate Education Committee

☐ Conference Committee

Hearing Date 1/05/05

Tape Number	Side A	Side B	Meter #
1	x		4712-5565
Committee Clerk Signature <i>Patty Wilkens</i>			

Minutes: A concurrent resolution directing the Legislative Council to study the State Board of Higher Education's performance and accountability measures.

Senator Layton Freborg, Chairman called the meeting to order on SCR 4002

Testimony in support of the Bill:

Roxanne Woeste: From the Legislative Council, she is part of the staff of the interim of higher education committee, they were hired to study or look at the accountability measures that should be in place. Last two sessions the Legislative Assembly has determined accountability measures that the University System should report on annually and this particular resolution asks that we continue to study bills that are currently required to be reported on. To determine if these are the correct ones or if we should be looking at some different ones or what we should actually be doing. The committee has had several discussions, two higher education round table meetings which encompassed representatives of the state board of higher education, higher education

institutions and public sector. This was brought up at both of those meetings that the accountability measures should be reviewed. This was the committee decision on this particular instance, that they suggest that we discuss what those accountability measures are.

Senator Seymour : Did they look at any other states with any measures they had in place?

Roxanne Woeste : They did look at other states accountability measures in 2001.

Senator G. Lee : Is this the first time the measures will be looked at? Determining accountability?

Roxanne Woeste: The measures originated with the 2001 Legislative Assembly. At that time I do believe there were?? not exactly sure the # of measures. After the Legislative Assembly concluded its work in 2001, the State Board of Higher Education adopted an additional 12 measures, they started out with 38 measures. SBHE implemented those in a three yr. time line, because they had to set up some correction methods to get the data. They report in December of each yr. on the accountability measures. This last report in Dec. of 2004, had data from all the measures but 2. We did not have enough data on all the measures in 2003 but should be current in 2005. Now that we have all the data now would be a good time to review the accountability measures. They haven't been reviewed in this kind of detail.

Senator Freborg : Could the committee get a list of the measures?

Roxanne Woeste: I could have the committee bring down a copy of the most recent report for all the members, that was published in 2003.

Senator Freborg : There isn't a big hurry, but within the next few days.

Page 3
Senate Education Committee
Bill/Resolution Number SCR 4002
Hearing Date 1/05/05

Testimony in opposition of Bill:

no opposition of SCR 4002

There was no further discussion

Senator Freborg : closed the hearing on SCR 4002

Senator Flakoll : asked to hold the bill

The meeting was adjourned.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4002

Senate Education Committee

☐ Conference Committee

Hearing Date 1/10/05

Tape Number	Side A	Side B	Meter #
1	x		1200-1330
Committee Clerk Signature <i>Patty Wilkins</i>			

Minutes: A concurrent resolution directing the Legislative Council to study the State Board of Higher Education's performance and accountability measures.

Senator Layton Freborg, Chairman called the meeting to order on SCR 4002

continuation from 01/05/05:

Senator Flakoll : I had asked that this one be held as I needed to check on a couple of things, and everything works fine with the people I talked to, with that in mind, I would move a do pass recommendation for SCR 4002

Testimony in support of the Bill

no discussion

Testimony in opposition of Bill:

no discussion

There was no further discussion

Page 2

Senate Education Committee

Bill/Resolution Number SCR 4002

Hearing Date 1/10/05

Senator Freborg : closed the hearing on SCR 4002

Senator Flakoll, Made a motion for a do pass on SCR 4002, Seconded By, Senator G. Lee

There being no other discussion roll call vote was taken. vote: 6-0-0, vote was unanimous
will carry the bill.

The meeting was adjourned.

Date: 1/10/05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SR 4002

Senate SENATE EDUCATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen. Flakoll Seconded By Sen. Lee

Senators	Yes	No	Senators	Yes	No
CH- SENATOR FREBORG	✓		SENATOR SEYMOUR	✓	
V-CH- SENATOR G. LEE	✓		SENATOR TAYLOR	✓	
SENATOR ERBELE	✓				
SENATOR FLAKOLL	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Flakoll

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

REPORT OF STANDING COMMITTEE (410)
January 10, 2005 1:10 p.m.

Module No: SR-05-0225
Carrier: Flakoll
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4002: Education Committee (Sen. Freborg, Chairman) recommends **DO PASS**
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4002 was placed on the
Eleventh order on the calendar.

2005 HOUSE EDUCATION

SCR 4002


2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4002

House Education Committee

☐ Conference Committee

Hearing Date **7 March 2005**

Tape Number	Side A	Side B	Meter #
1	X		1845 - 2780
			3570 - 3720
Committee Clerk Signature 			

Minutes:

Chairman Kelsch opened the hearing of SCR 4002.

Chairman Kelsch left at this point to testify at another hearing. Vice Chairman Johnson conducted the hearing.

Eddie Dunn, vice chancellor for Strategic Planning, NDSU, introduced the bill. (Testimony attached.)

Rep. Hawken: How does this dovetail with HB 1035? That's also an accountability bill for all the agencies.

Dunn: As I recall, that one simply mandates that higher education be subject to the additional accountability measures included in 1035. That would not replace these.

Rep. Hawken: That would be in addition to these.

Dunn: I would be. It would not replace these.

Rep. Mueller: What good would come out of this study if we pass it on?

Dunn: There are two things: Number one is if these accountability measures that are proposed in 2003 that I have attached here, and there are 20 of those, hopefully they will get approved and we will then be able to implement the revised ones. We already know that we want to do that because they are more valuable. We have added a couple. Hopefully that will happen anyway. To speak to your question more specifically, it would seem that we have already done what this particular resolution calls for; therefore, it wouldn't be necessary to do the resolution or the study. I would have to tell the Committee that we would not have heartburn at all if they still chose to do an interim study. We would probably just provide the information that we have and it would hopefully parallel closely with the 20 that are in the resolution.

There being no further testimony, Vice Chairman Johnson closed the hearing.

Later in the morning discussion of HCR 4002 was opened.

Rep. Hawken: I move a **Do Not Pass**.

Rep. Mueller: I second.

A voice vote was taken. Carried

Rep. Hawken will carry the bill.

Date: 7 Apr
Roll Call Vote #: 7

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4002

House Education Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Do not pass

Action Taken + place On consent calendar

Motion Made By Hawken Seconded By Mueller

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Johnson			Rep. Hunskor		
Rep. Haas			Rep. Mueller		
Rep. Hawken			Rep. Solberg		
Rep. Herbel					
Rep. Horter					
Rep. Meier					
Rep. Norland					
Rep. Sitte					
Rep. Wall					

Total (Yes) 13 No 0

Absent 1 (Kelsch)

Floor Assignment Hawken

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

REPORT OF STANDING COMMITTEE (410)
March 7, 2005 11:07 a.m.

Module No: HR-41-4256
Carrier: Hawken
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SCR 4002: Education Committee (Rep. R. Kelsch, Chairman) recommends DO NOT PASS and BE PLACED ON THE CONSENT CALENDAR (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SCR 4002 was placed on the Tenth order on the calendar.

2005 TESTIMONY

SCR 4002

NORTH DAKOTA UNIVERSITY SYSTEM

Testimony to House Education Committee on SCR-4002

Eddie Dunn, Vice Chancellor for Strategic Planning

MARCH 7, 2005

Chairman Kelsch and members of the House Education Committee, for the record I am Eddie Dunn, Vice Chancellor for Strategic Planning for the North Dakota University System. Thank you for the opportunity to provide testimony on SCR-4002, the measure that directs the Legislative Council to study the SBHE's performance and accountability measures.

This resolution is a result of a recommendation from the Roundtable on Higher Education to do a review of the accountability measures and make changes as needed. That recommendation was later adopted by the Interim Committee on Higher Education and transformed into the proposed study resolution you have before you.

I need to mention the University System did not appear before the Senate Education Committee to provide testimony on SCR-4002 when it was heard in the senate. The hearing on the resolution took place the first week of the session before the hearing schedules had been published. We were not aware the hearing had been scheduled.

The University System fully supports conducting a review of the current accountability measures for higher education. The accountability measures have been in place for over three years and the data collected during those years has helped identify areas where the measures could be revised to be more useful to the campuses, the State Board of Higher Education (SBHE) and the Legislative Assembly.

Given the high level of interest in conducting a review of the accountability measures, the SBHE concluded it would be desirable to have the study completed as soon as possible to allow the new or revised measures to be implemented in calendar year 2006 rather than calendar year 2008 following the 2007 legislative session. With the approval, and in cooperation with Senator Holmberg, chairman of the Roundtable and the interim committee, the review of the measures began in 2004 following the June 15, 2004, meeting of the Roundtable. A set of proposed revisions resulting from that review were developed, see Attachment I. The list of proposed changes have been adopted by the SBHE and have also been reviewed with the private sector members of the Roundtable to ensure their support.

The proposed changes in the accountability measures have been incorporated into Section 18 of SB-2003, the appropriation bill for the NDUS, which was introduced by Governor Hoeven. A copy of Section 18 is included as Attachment II.

Thus, I am pleased to report the NDUS has already completed the review of the measures as called for in this study resolution, in consultation with the private sector. We would like to proceed with implementing these changes in the next annual report which will be produced in 2006, contingent upon legislative approval of the changes outlined in SB-2003.

The main point of my testimony is that if the Legislative Assembly adopts the revised accountability measures included in SB-2003, an interim study of the accountability measures will not be necessary.

I would like to emphasize that the University System will continue to review the accountability measures and propose revisions for review by the Roundtable. The proposed revisions will then be forwarded to the Legislative Assembly for consideration and possible changes during future legislative sessions.

A copy of the University System's Accountability Measures Report for 2004 is attached.

That completes my testimony. I would be pleased to respond to questions you might have.

NDUS Accountability Measures Proposal for 2005 Legislative Session Revisions

			Status					Outcome Fact
	Page	Existing Measure	Retain	Revise	Delete	New	Explanation/Change	
Cornerstone 1: Economic Development Connection								
2.c.	3	Number of businesses and employees in the region receiving training	X					
7.a.	4	Workforce training information, including levels of satisfaction with training events as reflected in information systematically gathered from employers and employees receiving training	X					
5.f.	5	Research expenditures in proportion to the amount of revenue generated by research activity and funding received for research activity		X			Research expenditures as a percent of total NDUS expenditures--current measure as stated provides a 1:1 ratio.	
		Ratio of research expenditure to faculty				X	Demonstrates the growing level of faculty involvement in research	
Cornerstone 2: Education Excellence								
1.f.	9	Ratio of faculty and staff to students			X		Measure not meaningful; difficult to compute since not all positions with "faculty rank" are involved in teaching.	
1.a.	10	Student performance on nationally recognized exams in their fields compared to the national averages	X					
1.b.	12	First-time licensure pass rates compared to other states	X					
1.g.	14	Student graduation and retention rates	X					
1.c.	15	Alumni-reported and student-reported satisfaction with preparation in selected major, acquisition of specific skills and technology knowledge and abilities	X					
1.c.	16	Alumni-reported and student-reported satisfaction with preparation in selected major, acquisition of specific skills and technology knowledge and abilities	X					
7.f.	18	Non-completers satisfaction—levels of satisfaction and reasons for non-completion as reflected in a survey of individuals who have not completed their program or degree	X				Campuses don't like - emotional	

Page 1

		Status				Outcome Fact	
	Page	Existing Measure	Retain	Revise	Delete	New	Explanation/Change
7.c.	19	Student goals—levels and trends in the number of students achieving goals—institution meeting the defined needs/goals as expressed by students		X			Flex & Resp? - redefine to IPEDS definition
2.b.	20	Percentage of University System graduates obtaining employment appropriate to their education in the state					
2.a.	21	Enrollment in entrepreneurship courses and the number of graduates of entrepreneurship programs			X		Embedded in programs
6.d.	22	Equipment expenditure ratio that measures total funds used for equipment replacement as compared to the total inventory value			X		Not a meaningful measure; more appropriate to be tracked at the institutional level, than SBHE or legislative level
1.d.		Employer-reported satisfaction with preparation of recently hired graduates	X				
7.e.		Client satisfaction — levels of satisfaction with responsiveness as reflected through responses to evaluations and surveys of clients (a) Graduates and individuals completing programs (b) Employers (c) Companies and employees receiving training		X			remove "and employees" from section c; contracts are with the companies, not employees
Cornerstone 3: Flexible and Responsive System							
7.e.	25	Client satisfaction—levels of satisfaction with responsiveness as reflected through responses to evaluations and surveys of clients: (a) graduates and individuals completing programs (b) employers (c) companies and employees receiving training		X			this is confused with 1.c. and answered with similar data; rewrite so responsiveness is key and move to economic development
7.e.	26	Client satisfaction—levels of satisfaction with responsiveness as reflected through responses to evaluations and surveys of clients: (a) graduates and individuals completing programs (b) employers (c) companies and employees receiving training					
1.e.	27	Biennial report on employee satisfaction relating to the University System and local institutions				X	this should be in funding and rewards; it's a resource (assures achievement of the expected vision)

		Status					Explanation/Change
Page	Existing Measure	Retain	Revise	Delete	New		
Cornerstone 4: Accessible System							
7.g.	31	Student participation — levels and trends in rates of participation of: (a) recent high school graduates and non-traditional students and (b) individuals pursuing graduate degrees	X				
7.d.	32	Student enrollment information, including: (a) total number and trends in full-time, part-time, degree-seeking and non-degree-seeking students being served and (b) the number and trends of individuals, organizations and agencies served through non-credit activities	X				
3.b.	33	Number and trends of enrollments in courses offered by non-traditional methods	X				
4.a.	34	Tuition and fees on a per-student basis compared to the regional average	X				
4.b.	35	Tuition and fees as a percentage of median North Dakota household income	X				
7.b.	36	Partnerships and joint ventures—levels and trends in partnerships and joint ventures between University System institutions					
3.a.	38	Proportion of residents of the state who are within a 45-minute drive of a location at which they can receive educational programs from a provider			X	with "one click" no longer appropriate	
Funding and Rewards							
6.a.	41	Higher education financing – a status report on higher education financing as compared to the Long-Term Finance Plan	X				
4.f.	44	State general fund appropriation levels for University System institutions compared to peer institutions' general fund appropriation levels	X				

Page 3

		Status				Outcome Fact	
	Page	Existing Measure	Retain	Revise	Delete	New	Explanation/Change
6.b.	45	Incentive funding, including the allocation and use of incentive funding		X			Replace with ratio of incentive funding to total NDUS state GF appropriation; this is consistent with the goal in the LTF Plan
6.c.	46	State general fund appropriation levels and trends as compared to changes in the state's economy and total state general fund appropriations		X			Replace with ratio of NDUS state general fund appropriation to total State general fund appropriations; assumes the overall state budget is a good indicator as the state's overall economy and simultaneously demonstrates changes in allocations to HE. Current measure factors lag significantly in timeliness.
4.e.	47	Per capita general fund appropriations for higher education	X				Pursue national comparison data, if available
4.c.	48	Cost per student in terms of general fund appropriations and total University System funding	X				Pursue national comparison data, if available
4.d.	49	Administrative, instructional and other costs per student		X			Combine measures 4d, 5a, 6e, 5,b into one measure
5.a.	50	Percentage of total University System funding used for instruction, research and public service		X			Combine measures 4d, 5a, 6e, 5,b into one measure
6.e.	51	Percentage of total University System funding used for academic support, student services, and scholarships and fellowships		X			Combine measures 4d, 5a, 6e, 5,b into one measure
5.b.	52	Percentage of total University System funding used for institutional support, and operation and maintenance of physical plants		X			Combine measures 4d, 5a, 6e, 5,b into one measure
5.c.	53	Ratio measuring the funding derived from operating and contributed income compared to total University System funding	X				
5.e.	54	Ratio measuring the amount of expendable net assets as compared to the amount of long-term debt	X				
5.d.	55	Ratio measuring the size of the University System's outstanding maintenance as compared to its expendable net assets			X		Outstanding deferred maintenance addressed in LTF Plan covered in measure 6a
5.g.	56	Report on new construction and major renovation capital projects for which specific appropriations are made, including budget-to-actual comparison, use of third-party funding and related debt			X		Any project scope or cost exceptions will be disclosed as part of the NDUS audit.

		Status				Explanation/Change	Outcome Fact
Page	Existing Measure	Retain	Revise	Delete	New		
	Primary reserve ratio--expendable fund balances divided by total expenditures and mandatory transfers				X	One measure of an institution's ability to continue operating at current levels without future revenues.	
	Net income ratio--net total revenues divided by total current revenues				X	One measure of an institution's financial status in terms of current year operations.	

g:\anna\accountability measures\proposed revisions 8-04.xls

Fifty-ninth
Legislative Assembly

- 1 with the North Dakota state university foundation or other private entity and do all things
2 necessary and proper to authorize construction by the foundation of a college of business
3 building on the North Dakota state university campus, using donations, gifts, or other private
4 funds.

5 **SECTION 17. NORTH DAKOTA STATE UNIVERSITY SPECIAL ASSESSMENT**

- 6 **DISTRICT.** The state board of higher education may authorize North Dakota state university to
7 request of the city of Fargo creation of a \$1,025,000 special improvement district to finance
8 necessary repairs and improvements to seventeenth avenue located on the North Dakota state
9 university campus.

10 **SECTION 18. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY**

- 11 **MEASURES.** It is the intent of the legislative assembly that the board of higher education's
12 performance and accountability report as required by section 15-10-14.2 include an executive
13 summary and information regarding:

- 14 1. Education excellence, including:
- 15 a. Student performance on nationally recognized exams in their major fields
 - 16 compared to the national averages.
 - 17 b. First-time licensure pass rates compared to other states.
 - 18 c. Alumni-reported and student-reported satisfaction with preparation in selected
 - 19 major, acquisition of specific skills, and technology knowledge and abilities.
 - 20 d. Employer-reported satisfaction with preparation of recently hired graduates.
 - 21 e. Biennial report on employee satisfaction relating to the university system and
 - 22 local institutions.
 - 23 f. Student graduation and retention rates.
- 24 2. Economic development, including:
- 25 a. Enrollment in entrepreneurship courses and the number of graduates of
 - 26 entrepreneurship programs.
 - 27 b. Percentage of university system graduates obtaining employment appropriate
 - 28 to their education in the state.
 - 29 c. Number of businesses and employees in the region receiving training.
- 30 3. Student access, including number and proportion of enrollments in courses offered
- 31 by nontraditional methods.

- 1 4. Student affordability, including:
- 2 a. Tuition and fees on a per student basis compared to the regional average.
- 3 b. Tuition and fees as a percentage of median North Dakota household income.
- 4 c. Cost per student in terms of general fund appropriations and total university
- 5 system funding.
- 6 d. Per capita general fund appropriations for higher education.
- 7 e. State general fund appropriation levels for university system institutions
- 8 compared to peer institutions general fund appropriation levels.
- 9 5. Financial operations, including:
- 10 a. Cost per student and percentage distribution by major function.
- 11 b. Ratio measuring the funding derived from operating and contributed income
- 12 compared to total university system funding.
- 13 c. Ratio measuring the amount of expendable net assets as compared to the
- 14 amount of long-term debt.
- 15 d. Research expenditures in proportion to the amount of revenue generated by
- 16 research activity and funding received for research activity.
- 17 e. Ratio measuring the amount of expendable fund balances divided by total
- 18 expenditures and mandatory transfers.
- 19 f. Ratio measuring net total revenues divided by total current revenues.

20 **SECTION 19. AMENDMENT.** Section 15-10-12 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **15-10-12. (~~Effective through June 30, 2005~~) Board may accept gifts and**
23 **bequests - Deposit and appropriation of institutional funds.** Subject to the limitations of
24 section 15-10-12.1, the state board of higher education may receive donations, gifts, grants,
25 and bequests offered or tendered to or for the benefit of any institution of higher education
26 under its control or subject to its administration, and all moneys coming into the hands of the
27 board as donations, gifts, grants, and bequests must be used for the specific purpose for which
28 they are donated or given. A special revenue fund, for each institution of higher education
29 under the control of the board or subject to its administration, must be maintained within the
30 state treasury. All rent, interest, or income from land, money, or property, donated or granted
31 by the United States and allocated to specific institutions of higher learning under the terms of

Creating a University System for the 21st Century

SCR 4002

LEGISLATIVE COUNCIL LIBRARY HAS A COPY
OR CONTACT UNIVERSITY SYSTEM OFFICE FOR COPY

**4th Annual
Accountability
Measures Report**

December 2004

NORTH DAKOTA
UNIVERSITY SYSTEM

The Vital Link to a Brighter Future