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## HIGHER EDUCATION COMMITTEE

Wednesday, February 19, 2020

Lab 1119, Bisek Hall, North Dakota State College of Science, Wahpeton, North Dakota

Thursday, February 20, 2020

Diederich Atrium, Harry D. McGovern Alumni Center, North Dakota State University,  
1241 North University Drive, Fargo, North Dakota

Representative Mark Sanford, Chairman, called the meeting to order at 1:00 p.m. at the North Dakota State College of Science (NDSCS).

**Members present:** Representatives Mark Sanford, Larry Bellew, Karla Rose Hanson, Richard G. Holman, Dennis Johnson, Donald W. Longmuir, Bob Martinson, David Monson, Mike Schatz; Senators Brad Bekkedahl, Robert Erbele, Erin Oban, Larry J. Robinson, Jim P. Roers

**Members absent:** Representatives Rick Becker, Matt Eidson, Gary Paur; Senator Karen K. Krebsbach

**Others present:** Senator Ronald Sorvaag, Fargo, member of the Legislative Management  
Representatives Ruth Buffalo, Fargo, LaurieBeth Hager, Fargo, and Alisa Mitskog, Wahpeton; Senator Jim Dotzenrod, Wyndmere  
Governor Doug Burgum  
See [Appendix A](#) for additional persons present.

**It was moved by Senator Robinson, seconded by Senator Roers, and carried on a voice vote that the minutes of the November 4-5, 2019, meeting be approved as distributed.**

Chairman Sanford commented regarding plans for future committee meetings, including meetings in April, June, and August. Chairman Sanford asked committee members to request any bill drafts from the Legislative Council staff prior to the June meeting if the bill drafts will be presented to the committee for consideration.

Dr. John Richman, President, North Dakota State College of Science, presented information ([Appendix B](#)) regarding an overview of NDSCS. He said NDSCS had a fall 2019 enrollment of 2,977 students, of which 46.5 percent live on campus. He said 72.3 percent of enrolled students are North Dakota residents. He said NDSCS has a freshman retention rate over 70 percent, and 83 percent of enrolled North Dakota residents remained in North Dakota after graduating. He said the NDSCS Foundation has an endowment in excess of \$22 million and awarded \$758,000 in student scholarships for the 2019-20 academic year. He said TrainND Southeast had 1,515 participants in 2019.

In response to a question from Representative Bellew, Dr. Richman said NDSCS has a 2-year licensed practical nurse program and a 2-year registered nurse program.

In response to a question from Senator Robinson, Dr. Richman said NDSCS has experienced a decline in the enrollment of full-time students. He said enrollment of students from South Dakota has declined 12 percent since South Dakota eliminated tuition for South Dakota residents enrolled in career and technical education (CTE) programs in South Dakota.

In response to a question from Chairman Sanford, Dr. Richman said NDSCS primarily offers dual credit for general education courses. He said NDSCS would like to expand the availability of dual-credit CTE courses.

In response to a question from Representative Hanson, Dr. Richman said the placement rate identified in his presentation includes individuals employed within 6 months of graduation or enrolled in a transfer institution.

Dr. Jane Vangsness Frisch, Vice President for Student Affairs, North Dakota State College of Science, said approximately 50 percent of students enrolling at NDSCS plan to transfer to another institution to continue their education.

In response to a question from Senator Robinson, Dr. Richman said NDSCS has begun gathering data on graduates, including where they reside and work, beyond just 1 year, but the data is not yet available.

In response to a question from Chairman Sanford, Dr. Richman said Integrated Postsecondary Education Data System (IPEDS) retention rate and graduation rate data only includes first-time, full-time students; therefore, transfers are not included. He said student achievement measures data includes all students.

In response to a question from Chairman Sanford, Dr. Richman said NDSCS has reduced the number of fees at the institution from approximately 400 course fees to 10 program fees.

In response to a question from Senator Robinson, Dr. Richman said the pool of qualified faculty applicants for open positions at NDSCS has decreased. He said although faculty turnover has not been significant, it is difficult to recruit faculty from industry because faculty salaries are less than industry salaries.

In response to a question from Representative Monson, Dr. Richman said student debt of NDSCS graduates is not as major of an issue as it is at many other institutions. He said the NDSCS business partners are helping to mitigate student debt issues.

Dr. Vangsness Frisch said NDSCS has streamlined the scholarship application process and 71 percent of students attend NDSCS tuition free after scholarships, grants, and other awards.

The committee toured NDSCS, including the manufacturing, allied health, and diesel technology programs.

Mr. Rick Tonder, Director of Facilities Planning, North Dakota University System, presented information ([Appendix C](#)) regarding campus space utilization. He said a 100 percent classroom utilization target equates to a scheduled use of 30 hours per week with 80 percent occupancy of the maximum seating capacity of the room. He said a 100 percent classroom laboratory utilization target equates to a scheduled use of 20 hours per week with 75 percent occupancy of the maximum seating capacity of the room. He said in the fall 2019 semester, classroom utilization ranged from 37 percent at Lake Region State College to 77.6 percent at Williston State College and class laboratory utilization ranged from 35 percent at Minot State University to 100.9 percent at North Dakota State University (NDSU).

Ms. Lisa Johnson, Vice Chancellor for Academic and Student Affairs, North Dakota University System, presented information ([Appendix D](#)) regarding dual-credit, distance education, and certificate programs. She said Senate Bill No. 2244 (2017) was approved in response to the Higher Learning Commission requiring all faculty teaching dual-credit courses to have a master's degree in the content area they are teaching, or a master's degree in a content area other than the area in which they are teaching, plus 18 additional credits in the content area they are teaching. She said North Dakota applied to the Higher Learning Commission and was granted an extension until December 1, 2022, to allow teachers to become compliant with the commission requirements. She said the majority of students prefer face-to-face learning environments. She said the State Board of Higher Education has approved over 100 new certificate programs in the last 2 years.

In response to a question from Senator Bekkedahl, Ms. Johnson said each University System institution serves the high schools in its region and the institutions do not compete for schools.

In response to a question from Senator Bekkedahl, Ms. Johnson said the certificate programs identified in her presentation do not include TrainND certificate programs.

The committee recessed at 5:00 p.m. and reconvened on Thursday, February 20, 2020, at 8:00 a.m. at the Harry D. McGovern Alumni Center, North Dakota State University, Fargo.

Dr. Dean Bresciani, President, North Dakota State University, presented an overview ([Appendix E](#)) of the institution. He said NDSU has 13,796 students, 11,269 of whom are full-time students. He said NDSU and the University of North Dakota are offering a joint biomedical engineering degree. He said NDSU generated nearly \$2 million in license and patent revenue in fiscal year 2017.

In response to a question from Chairman Sanford, Dr. Bresciani said NDSU will not be able to raise the amount of private donations necessary to replace Harris Hall.

Dr. Jane Schuh, Vice President for Research and Creative Activity, North Dakota State University, presented information ([Appendix F](#)) regarding research at NDSU. She said NDSU expended \$145.7 million on research in fiscal year 2018. She said NDSU is creating coatings and new materials, developing new products from the biowaste of other processes, adding selectable biodegradability, and exploring new uses for North Dakota commodities.

In response to a question from Representative Holman, Dr. Schuh said research is not profitable to the university, but it is a duty of the university to conduct research and discovery.

In response to a question from Senator Sorvaag, Dr. Schuh said research provides opportunities for professors and students and benefits the economy of the state.

Chairman Sanford said it is difficult for legislators to appropriate additional state funding for research. He said the return on investment of research expenditures is unclear.

In response to a question from Senator Roers, Dr. Schuh said patents are expensive and NDSU has to be selective on when to pursue a patent. She said it takes approximately a decade to patent and commercialize a product.

Mr. John Glover, President and Chief Executive Officer, North Dakota State University Foundation, said NDSU has an endowment of approximately \$250 million, of which 95 percent is permanently restricted by the donors. He said estate planning is very important to raise funds for the NDSU Foundation, but increasing the use of family trusts is becoming a challenge. He said the challenge grant program has been beneficial to University System institution foundations and the program should be continued.

In response to a question from Chairman Sanford, Mr. Glover said donors are supportive of student scholarships through the challenge grant program.

Dr. Greg Lardy, Vice President for Agricultural Affairs, North Dakota State University, presented information ([Appendix G](#)) regarding agricultural research conducted by the NDSU main research center. He said 25 percent of the state's economic output is connected to agriculture and agriculture has an \$11 billion economic impact on the state. He said North Dakota has approximately 30,000 farms and nearly 90 percent of the state's land mass is involved in agriculture. He said the goals of the NDSU main research center are to find solutions and discover opportunities that enhance the quality of life; sustain food, feed, fiber, and fuel production; and conserve and enhance our natural resources. He said emerging research areas at NDSU include precision agriculture, agribiome, organic agriculture, hemp production, and reclamation, brine spills, and oil impacts.

In response to a question from Senator Bekkedahl, Dr. Lardy said increasing the number of livestock enterprises in North Dakota could add value to crops grown in North Dakota.

In response to a question from Representative Hanson, Dr. Lardy said the average age of farmers in North Dakota is 57 years.

In response to a question from Representative Johnson, Dr. Lardy said it is important to expand community education relating to animal agriculture to expand the number of livestock enterprises in North Dakota.

In response to a question from Senator Robinson, Dr. Lardy said he hopes to have a permanent director hired for the Dickinson Research Extension Center by May 2020.

The committee toured facilities at NDSU, including Harris Hall and the Research I building.

Dr. Frank Walker, President, North Dakota Veterinary Medical Association, presented information ([Appendix H](#)) regarding the professional student exchange program (PSEP) and its effects on the number of veterinarians practicing in the state. He said PSEP provides the opportunity for North Dakota resident students to attend out-of-state programs in three professional areas of study not available in North Dakota, including veterinary medicine, optometry, and dentistry. He said there are 12 veterinary medicine PSEP slots, including 5 at Kansas State University, 2 at the University of Minnesota, 4 at Iowa State University, and 1 at a Western Interstate Commission for Higher Education (WICHE) school. He said 49 percent of veterinary medicine graduates participating in PSEP between 2004 and 2016 returned to North Dakota after graduation. He said a PSEP repayment provision for graduates who do not return to the state would not be fair to North Dakota residents seeking a degree in veterinary medicine because there may not be viable job options in North Dakota for all graduates.

Dr. Derine Winning, Public Policy Adviser, North Dakota Veterinary Medical Association, presented information ([Appendix I](#)) regarding veterinary medicine student debt. She said the mean debt for veterinary medicine graduates in 2018 was over \$150,000. She said a PSEP repayment provision could increase student debt by up to \$123,000.

Dr. Lisa Christenson, Associate Professor, North Dakota State University, presented information ([Appendix J](#)) regarding preveterinary medicine students at NDSU. She said a survey of preveterinary medicine students found 80 percent would pursue a veterinary career at all costs. She said another survey found 31 percent of PSEP veterinarians who graduated between 2014 and 2019 would not have pursued veterinary medicine if there had been a PSEP repayment provision for graduates who do not return to North Dakota. She said PSEP was not intended to be a state recruitment program.

In response to a question from Senator Bekkedahl, Dr. Winning said there is a state and national shortage of veterinarians.

Senator Erbele expressed support for removing the PSEP repayment provision for veterinary medical students.

Chairman Sanford said North Dakota pays the difference between resident and nonresident tuition for North Dakota resident students enrolled in a participating program. He said most states require students in PSEP to return to the state of origin or repay the financial assistance they received. He said other states have 85 to 90 percent of graduates return. He said North Dakota has under 50 percent of graduates return.

In response to a question from Chairman Sanford, Dr. Walker said some PSEP slots are administered through WICHE, but most North Dakota PSEP participants are enrolled through contracts with Kansas State University, Iowa State University, and the University of Minnesota.

Governor Doug Burgum commented regarding higher education in North Dakota, including the role education plays in society and challenges affecting higher education, including aging demographics, changing cultural views of higher education degrees, changing technology, and an increasingly competitive higher education economy. He said institutions of higher education often are structured to resist change. He said resistance to change may come from alumni, faculty, and the government. He said an increase in public-private partnerships is necessary for higher education, including an increase in funding for the challenge grant program. He said the state needs to invest in the areas it is doing well and consider reducing investment in other areas. He said higher education institutions play a vital role in community revitalization and culture.

In response to a question from Representative Hanson, Governor Burgum said he supports state appropriations for research.

In response to a question from Senator Oban, Governor Burgum said the University System needs to properly market to individuals who have not completed their degrees, including the working poor.

In response to a question from Chairman Sanford, Governor Burgum said the state needs to align funding with workforce needs to ensure the University System is producing students who will contribute to the state economy.

Representative Martinson encouraged Governor Burgum to appoint individuals to the State Board of Higher Education who will address the future needs of the state and the University System.

No further business appearing, Chairman Sanford adjourned the meeting at 3:00 p.m.

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Alex J. Cronquist  
Senior Fiscal Analyst

ATTACH:10