



BUDGET SECTION - EDUCATION AND ENVIRONMENT DIVISION

Wednesday, September 18, 2024
Room 327E, State Capitol
Bismarck, North Dakota

Senator Ronald Sorvaag, Chairman, called the meeting to order at 1:04 p.m.

Members present: Senators Ronald Sorvaag, Karen K. Krebsbach*, Scott Meyer, David S. Rust, Donald Schaible; Representatives Karla Rose Hanson, Bob Martinson, Mike Nathe, David Richter, Mark Sanford, Steve Swiontek

Member absent: Representative Mike Schatz

Others present: Jane Grinde, Mark Hagerott, David Krebsbach, Jennifer Weber, Brenda Zastoupil, North Dakota University System

See [Appendix A](#) for additional persons present.

**Attended remotely*

It was moved by Senator Schaible, seconded by Senator Meyer, and carried on a voice vote that the minutes of the June 19, 2024, meeting be approved as distributed.

Mr. Alex J. Cronquist, Senior Fiscal Analyst, Legislative Council, presented the North Dakota University System's 2025 base budget bill [[25.0170.01000](#)], the University System office [base budget summary](#), the University System institutions [base budget summary](#), and the University System's compliance with legislative intent report.

Mr. Cronquist presented information ([Appendix B](#)) regarding the history of the higher education funding formula.

Dr. Mark Hagerott, Chancellor, North Dakota University System, presented information ([Appendix C](#)) regarding the North Dakota University System, including the University System office organizational chart.

In response to questions from members of the division, Dr. Hagerott noted:

- Enrollment appears to be increasing for the fall 2024 semester.
- The University System is unified to work for the entire state and to limit potential harm to one institution caused by another.
- The State Board of Higher Education supports the authority of the campuses to respond to their individual markets and budgetary circumstances.

In response to questions from members of the division, Dr. Hagerott indicated he would provide additional information regarding:

- The enrollment of online and in-person students.
- Changes in full-time equivalent positions at the North Dakota University System office.
- Technology fees charged to students.
- The national security initiative at the University of North Dakota.

Division members commented regarding the cost of offering online courses and the hiring process for a new commissioner of higher education.

Ms. Jane Grinde, Director of Human Resources, North Dakota University System, presented information ([Appendix D](#)) regarding salary funding distributions from the targeted market equity pool.

Mr. David Krebsbach, Vice Chancellor for Administrative Affairs and Chief Financial Officer, North Dakota University System, presented information ([Appendix E](#)) regarding campus assessments and funding sources for full-time equivalent positions.

Ms. Brenda Zastoupil, Director of Financial Aid, North Dakota University System, presented information ([Appendix F](#)) regarding student financial assistance programs administered by the University System office.

In response to questions from members of the division, Ms. Zastoupil indicated she would provide additional information regarding:

- Potential program changes to improve workforce development and the retention of recipients of state financial aid in the state.
- The affordability of higher education for students eligible for support under the needs-based student financial assistance grants program, including the impact of federal aid.

Mr. Krebsbach presented information ([Appendix G](#)) regarding state bond payments, other system office line items, and personnel by campus.

Dr. Jennifer Weber, Director of Institutional Research and Analytics and Chief Data Analyst, North Dakota University System, presented information ([Appendix H](#)) regarding student enrollment.

In response to a question from a member of the division, Dr. Weber indicated she would provide additional information regarding the percentage of students who remain in the state after graduation.

Mr. Krebsbach presented information ([Appendix I](#)) regarding the University System capital building fund and the higher education funding formula. He noted seven campuses are projected to receive reduced funding under the formula for the 2025-27 biennium due to reductions in weighted credit hours, including four campuses that will be impacted by the 96 percent minimum amount payable provision in the formula.

Division members commented regarding:

- National enrollment trends;
- The potential impacts on enrollment of changes in workforce needs, including changing job qualifications;
- The higher education funding formula; and
- Student housing needs.

It was moved by Representative Nathe, seconded by Senator Schaible, and carried on a voice vote that the Legislative Council staff prepare a summary of the division's activities for the 2023-24 interim for inclusion in the Budget Section's report to Legislative Management.

No further business appearing, Chairman Sorvaag adjourned the meeting at 3:16 p.m.

Sheila M. Sandness
Senior Fiscal Analyst

Alex J. Cronquist
Senior Fiscal Analyst

ATTACH:11