

2025 HOUSE EDUCATION

HB 1064

2025 HOUSE STANDING COMMITTEE MINUTES

Education Committee Coteau AB Room, State Capitol

HB 1064
1/13/2025

Relating to the authorization of a postsecondary educational institution not operating in this state.

3:31 p.m. Chairman Heinert opened the hearing.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Heilman, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

Discussion Topics:

- National Council for State Authorization Reciprocity Agreements (NC-SARA)
- More Health Care professionals
- Health Care Education

3:23 p.m. Lisa Johnson, Vice Chancellor for the ND University System, introduced the bill.

3:33 p.m. Claire Gunwall, Director of Academic Affairs NDUS, testified in support, #28716.

3:46 p.m. Dr. Sue Subocz, Associate President and Provost Walden University, testified in opposition #28684.

4:00 p.m. Tim Blasl, ND Hospitals Association, testified in opposition.

4:03 p.m. Andera Pfennig, Vice President of Government Affairs with the Greater ND Chamber, testified in opposition.

Additional written testimony:

Nikki Wegner, ND Long Term Care Association, testimony in opposition #28715.

Sherri Miller, ND Nurses Association, testimony in opposition #28738.

4:05 p.m. Vice Chairman Schreiber- Beck closed the hearing.

Leah Kuball, Committee Clerk



HB 1064
House Education Committee
January 13, 2025
Claire Gunwall, Director of Academic Affairs, NDUS
701.328.4140 | claire.gunwall@ndus.edu

Chair Heinert and members of the House Education Committee, my name is Claire Gunwall. I serve as the Director of Academic Affairs for the North Dakota University System. I am here to present testimony on behalf of the North Dakota University System (NDUS) and the State Board of Higher Education (SBHE) in support of House Bill 1064. This bill proposes critical amendments and additional clarification to chapter 15-18.1 of the North Dakota Century Code, concerning postsecondary education institution standards.

The NDUS and the SBHE fully support House Bill 1064. Our endorsement stems from our attentiveness to improving the quality and accessibility of higher education in North Dakota. The provisions of this bill align with our mission to uphold rigorous academic standards while expanding educational opportunities for students.

House Bill 1064 introduces essential changes aimed at strengthening the framework governing postsecondary educational institutions in North Dakota, more specifically out-of-state providers of online providers of distance education. The proposed edits contained within this bill will enhance institutional accountability, student protections, and the overall quality of education available to North Dakota students. Key provisions include:

1. **Establishing clear definitions and clarifications:** By amending section 15-18.1-01, the bill provides clearer definitions of terms like "distance education" and "educational credentials," making the language more reflective of current practices in the field of education. These changes will help eliminate uncertainty and ensure that all institutions, whether physical or online, are subject to the appropriate regulations. By clarifying the scope of the law, this bill also ensures that emerging forms of education, particularly online programs, are covered under the appropriate regulatory standards.
2. **Enhancing Accreditation and Financial Responsibility Standards:** The bill emphasizes the importance of accreditation by agencies recognized by the United States Department of Education and ensures that postsecondary institutions maintain a federal financial responsibility composite score greater than 1.5. This ensures that institutions are financially stable, reducing the risk of sudden closures or financial uncertainty that could affect students. These protections guarantee that students are attending institutions capable of fulfilling their educational and financial commitments.
3. **Enhanced Consumer Protections:** The bill strengthens protections for students by prohibiting institutions that do not meet the required authorization or accreditation standards from operating in the state. This provision ensures that students are not misled by institutions

that may offer substandard education or lack proper accreditation. It also empowers the SBHE to enforce these standards, ensuring that only authorized institutions are allowed to operate within North Dakota. This creates a safer educational environment for students and ensures that they receive valid and recognized credentials upon completion of their programs.

4. **National Council for State Authorization Reciprocity Agreements (NC-SARA)**
Membership Requirement: One of the most impactful aspects of this bill is the introduction of the requirement for postsecondary educational institutions offering distance education to students in North Dakota to become members of NC-SARA. This provision is crucial because NC-SARA membership ensures that institutions adhere to nationally recognized standards, including quality standards, consumer protections, and reporting requirements. By aligning North Dakota with a nationwide system for distance education, this provision improves the safety, reliability, and quality of education for students participating in online programs, particularly out-of-state institutions.
5. **Streamlining authorization processes:** The repeal of Section 15-18.1-03, which relates to the authorization of postsecondary educational institutions not operating in the state, is an important step in streamlining the regulatory framework. This section is no longer necessary with the expanded provisions related to out-of-state institutions offering distance education, particularly given the new NC-SARA membership requirement. This change reduces the administrative burden on staff and expedites the review process for out-of-state institutions, ensuring a more efficient and responsive regulatory system.

In conclusion, the NDUS and the SBHE fully support House Bill 1064 with the proposed amendments to chapter 15-18.1 of the North Dakota Century Code. We believe that these changes will significantly enhance the standards and accountability of postsecondary education in North Dakota, benefiting students, institutions, and the broader community. The bill's provisions, particularly the NC-SARA membership requirement, enhanced financial and accreditation standards, and improved consumer protections will foster a transparent, reliable, and high-quality educational environment for all students in North Dakota. We respectfully urge the committee to recommend a "Do Pass" on House Bill 1064. Thank you for consideration of the proposed edits before you today. I remain available to answer any questions you may have.

Testimony in Opposition (without amendment) to HB 1064

Dr. Sue Subocz, Associate President & Provost of Walden University

Adtalem Global Education

House Education Committee

January 13, 2025

Chairman Heinert and Members of the House Education Committee,

Thank you for the opportunity to present this testimony today. For the record, my name is Dr. Sue Subocz, and I serve as associate president, provost and chief academic officer for Walden University, which is a university owned by Adtalem Global Education, along with Chamberlain University and others. While we certainly support the streamlining of authorizing online universities accredited by the Higher Learning Commission, this bill, without amendments, will stand as a barrier to our programs educating hundreds of health care professionals in North Dakota in a time when the state has a tremendous shortage of healthcare professionals. We do not believe that streamlining administration should come with the cost of turning off an educational and talent pipeline for the healthcare industry in the state of North Dakota. We understand the state legislature and governor have very strong support for increasing workforce development in North Dakota, and this legislation turns off the possibility of accessible, online education for hundreds if not thousands of healthcare students in the coming years—and not just for the accredited institutions I’m here representing today. Accordingly, we stand in opposition to HB 1064 without amendments.

I will try to be as concise as possible, but please allow me to share some important background and our rationale given the technical nature of the bill.

Background of Adtalem

Adtalem is the leading healthcare educator in the US and the parent company of Chamberlain University and Walden University, along with two medical schools and a veterinary school. Adtalem is at the forefront of addressing the critical challenges in healthcare, with a special focus on alleviating the workforce shortage. Nationwide, there is an expected shortage of 500,000 nurses by 2030, a shortage that many communities and healthcare systems cannot afford. Faced with the growing impact of the workforce shortage, quality patient care is at risk and reports of mental health challenges among staff are on the rise.

Chamberlain University is the largest nursing school in the US and Walden University is the third largest nursing school. Adtalem is the #1 grantor of US nursing degrees. Walden is among the top 5 grantors of Master of Social Work (MSW) degrees. We have 181 North Dakota residents

that are active students at Chamberlain and Walden University, with over 100 of those enrolled in nursing programs.

Adtalem addresses the shortage head-on by educating and preparing the next generation of nurses at Chamberlain and Walden University to enter the workforce with the tools and knowledge needed to deliver quality care. We want to be able to continue to do that in North Dakota, educating North Dakota students and enhancing North Dakota's healthcare workforce.

Background of Walden and Chamberlain

Chamberlain University is a healthcare education institution, fully accredited by the Higher Learning Commission, authorized by Illinois Board of Higher Education, along with numerous programmatic accreditors. For at least 8 years, and more formally for the last 2 years, NDUS has authorized Chamberlain's operation, through approvals and prior to the approvals through the exemption process. For the January session, 51 North Dakota residents were enrolled in Chamberlain's programs: 49 students were enrolled in nursing programs. Another 5 students remain active as students and are eligible to continue their program of study in a future session. As of January, Chamberlain had conferred 93 degrees to North Dakota residents. Our graduates go on to work at places like: Sanford Health, Trinity Health and Altru Health System.

Walden University is fully accredited by the Higher Learning Commission, authorized by Minnesota Office of Higher Education, along with numerous programmatic accreditors. For at least 8 years, and more formally for the last 2 years, NDUS has authorized Walden's operation, through approvals and prior to the approvals through the exemption process. As of January, 94 North Dakota residents were enrolled in Walden's programs: 78 students were enrolled in nursing, counseling, psychology and social work programs. 31 students remain active as students and eligible to continue their program of study in a future term. As of January, Walden had conferred 335 degrees to North Dakota residents. About half of the degrees (183 or 55%) were in nursing (106), counseling (26), psychology (25) and social work (26). Our graduates go on to work at places like: Sanford Health, Essentia Health, Trinity Health, Altru Health System, Minot State University and Williston State College.

Impact of Bill

We believe this bill would limit educational opportunities for North Dakota residents, and in turn, only hurt the already distressed healthcare workforce in North Dakota—for three reasons:

(1) New Composite Score Requirement – Although unclear based on the definition of “post secondary institution” and how this section is written, this section could be utilizing a parent company composite score vs. an institution composite score, and if utilizing parent company composite score, our institutions and likely others will be ineligible to educate North Dakotans. The composite score is a tool utilized by the federal Department of Education (ED) to determine if an institution is financially responsible. If a school's composite score is under 1.5, the institution can demonstrate financial responsibility by posting a letter of credit (in Adtalem's

instance, in the amount of 10% of its Title IV Funds received from the department), and the institution remains eligible to receive Title IV funds. ED doesn't use the composite score to do what ND would be doing here. ED simply uses it to determine whether a modest amount of additional credit support is required to retain access to Title IV funds. It does not use it to remove institutions' ability to educate students, or to shut them down.

Adtalem acquired Walden University in 2021. As a 100% online institution with comparatively less physical assets than a residential institution, a significant portion of the Walden acquisition was recognized as intangible assets and goodwill on the Adtalem balance sheet. The noncash goodwill category adversely impacts composite score tests pursuant to the ED methodology and the lower composite score does not reflect a reduction in performance or financial stability, but rather the reporting of intangible assets generated by the Walden transaction. It also does not speak to the strength of Adtalem's balance sheet. As of June 30, 2024, Adtalem had \$219MM on its balance sheet to support its institutions. The company is profitable, has significantly reduced debt and maintains deep financial reserves to support continuing operations.

Recommendation: We recommend removal of the composite score requirement as it is an inaccurate tool to measure the financial stability of an institution. If you do not agree with the removal of the composite score requirement, we recommend the language be revised to only rely on an institution's composite score, and that the definition of post-secondary institution be updated accordingly.

(2) Participation in NC-SARA Requirement – The amendments require participation in NC-SARA. The National Council for State Authorization Reciprocity Agreements (NC-SARA) is a regional compact which streamlines distance education regulations for those who participate. Currently, those who are members of NC-SARA do not expend resources of the SBHE and NDUS as they are not required to go through the registration process. Neither Chamberlain or Walden participate in NC-SARA. Lack of participation is solely the result of Adtalem's composite score, not Chamberlain or Walden's composite score, and not based on these institutions' academic quality and rigor. As drafted, it also appears that this change also would exclude all California schools from providing education to online students.

Recommendation: We recommend the removal of the reliance on participation in NC-SARA.

(3) Definition of Physical Presence – We note the new definition of "physical presence," and that presence means a location in North Dakota where a student may participate in structured activity that is not a proctored examination, which is related to a school's distance education course of instruction.

Recommendation: We recommend adding a definition for structured activity that excludes practicums, internships, clinicals and student teaching, and that structured activity is not mere enrollment and completion of a distance education course from one's residence.

Conclusion

We respectfully request you consider amending this bill to allow North Dakotans interested in growing their healthcare knowledge and experience to continue to be educated by our accredited institutions. Passage of this bill as is would turn off an important healthcare educational pipeline in a time when we need more healthcare education—not less.

Thank you for your consideration, and I would stand for any questions.

**Testimony Relating to the National Council for State Authorization
Reciprocity Agreements Membership
House Education Committee
January 13, 2025
House Bill 1064**

My name is Nikki Wegner, and I am the President at the North Dakota Long Term Care Association. Thank you for the opportunity to write to you today in opposition to HB 1064.

Long term care facilities across North Dakota are facing unprecedented workforce challenges. These challenges span all levels of the healthcare workforce, from entry-level positions to advanced-degree professionals, especially in nursing. To meet these challenges, we support any and all pathways to healthcare education that can help us build and sustain the skilled workforce we so desperately need.

While we do not claim to fully understand the background or details of higher education approval regulations for online programs, we have concerns about the potential consequences of this bill. Specifically, we worry about the unintended impact it could have on access to healthcare education for North Dakota, particularly for those who rely on the flexibility of online education to pursue or advance their careers.

In reviewing HB 1064, we fear it may inadvertently limit the ability of accredited healthcare education institutions to offer programs that meet the needs of our workforce. This is troubling because any reduction in educational opportunities could exacerbate an already critical workforce shortage.

The stakes are simply too high, and the needs of our industry and our state are too great. We urge this committee to carefully examine HB 1064 to ensure it does not decrease our state's capacity to educate and train the healthcare professionals we so desperately need.

We support innovation, flexibility, and accessibility in healthcare education, and we believe that online education programs, especially those from accredited institutions, play a vital role in building a robust healthcare workforce.

For these reasons, we respectfully ask the committee to reconsider or amend HB 1064 to avoid any negative impact on North Dakota's healthcare education system.

Thank you for your time and consideration. I would be happy to answer any questions you may have.

Nikki Wegner MS, OTR/L, President
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Testimony in Opposition (without amendment) to HB 1064
House Education Committee

January 13, 2025

Chairman Heinert and Members of the House Education Committee:

Thank you for the opportunity to submit this testimony today. My name is Sherri Miller, and I am the Executive Director of the North Dakota Nurses Association. The North Dakota Nurses Association (NDNA) is the only professional organization representing all nurses in North Dakota. The mission of NDNA is to advance the nursing profession by promoting the professional development of nurses, fostering high standards of nursing practice, promoting the safety and well-being of nurses in the workplace, and advocating health care issues affecting nurses and the public. We feel NDNA is the leading voice for nurses in the state of North Dakota.

NDNA opposes HB 1064 as this legislation may expel postsecondary institutions with nursing programs at a time when we urgently need to expand healthcare education.

NDNA supports nursing education through all accredited institutions, regardless of their public or private status, whether they offer in-person, online, or a combination of both learning modalities. We believe that students and professionals should have the freedom to pursue the education and training that best suits their individual needs and learning styles.

While NDNA may not possess in-depth knowledge of the intricacies of regulating online universities, we observe a potential disconnect between the bill's stated goal of streamlining administrative processes and its unintended consequences for certain online universities, particularly those offering accredited nursing programs.

We firmly support online education when it meets the rigorous standards set by recognized accrediting bodies. Notably, nursing programs offered by Walden University and Chamberlain University hold accreditation from the prestigious Commission on Collegiate Nursing Education (CCNE).

In conclusion, NDNA urges this committee to reject any policy measures that limit access to quality nursing education for those who prefer or require online learning options. We strongly advocate for policies that expand the availability of healthcare education opportunities for all North Dakotans.

We do not support this bill and respectfully ask that it may be amended.

Thank you,

Sherri Miller BSN, RN
Executive Director
North Dakota Nurses Association

2025 HOUSE STANDING COMMITTEE MINUTES

Education Committee Coteau AB Room, State Capitol

1064
2/18/2025

Relating to the authorization of a postsecondary educational institution not operating in this state.

9:01 a.m. Chairman Heinert called the meeting to order.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Heilman, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

Discussion Topics:

- Committee action

9:02 a.m. Representative Novak moved to adopt amendment 25.8070.01002. #37963

9:03 a.m. Representative Hauck seconded the motion.

| Representatives | Vote |
|---------------------------------------|------|
| Representative Pat D. Heinert | Y |
| Representative Cynthia Schreiber-Beck | Y |
| Representative Liz Conmy | Y |
| Representative LaurieBeth Hager | Y |
| Representative Patrick R. Hatlestad | Y |
| Representative Dori Hauck | Y |
| Representative Matthew Heilman | Y |
| Representative Jim Jonas | Y |
| Representative Donald W. Longmuir | A |
| Representative Roger A. Maki | Y |
| Representative Andrew Marschall | Y |
| Representative Desiree Morton | Y |
| Representative Anna S. Novak | Y |
| Representative Doug Osowski | A |

Motion Carried: 12-0-2

9:05 a.m. Representative Hauck moved a Do Pass as amended.

9:05 a.m. Representative Novak seconded the motion.

| Representatives | Vote |
|---------------------------------------|-------------|
| Representative Pat D. Heinert | Y |
| Representative Cynthia Schreiber-Beck | Y |
| Representative Liz Conmy | Y |
| Representative LaurieBeth Hager | Y |
| Representative Patrick R. Hatlestad | Y |
| Representative Dori Hauck | Y |
| Representative Matthew Heilman | N |
| Representative Jim Jonas | Y |
| Representative Donald W. Longmuir | A |
| Representative Roger A. Maki | Y |
| Representative Andrew Marschall | Y |
| Representative Desiree Morton | Y |
| Representative Anna S. Novak | Y |
| Representative Doug Osowski | A |

Motion Carried: 12-1-1

Bill carrier: Representative Novak.

9:07 a.m. Chairman Heinert closed the hearing.

Leah Kuball, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1064

Introduced by

Education Committee

(At the request of the State Board of Higher Education)

1 A BILL for an Act to create and enact a new section to chapter 15-18.1 of the North Dakota
2 Century Code, relating to the national council for state authorization reciprocity agreements
3 membership; to amend and reenact sections 15-18.1-01, 15-18.1-02, 15-18.1-05, 15-18.1-06,
4 and 15-18.1-10, and subsection 4 of section 15-18.1-13 of the North Dakota Century Code,
5 relating to postsecondary education institution standards; and to repeal section 15-18.1-03 of
6 the North Dakota Century Code, relating to the authorization of a postsecondary educational
7 institution not operating in this state.

8 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

9 **SECTION 1. AMENDMENT.** Section 15-18.1-01 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **15-18.1-01. Definitions.**

12 As used in this chapter:

- 13 1. "Accredited" means approved by an accrediting body recognized by the United States
14 department of education.
- 15 2. "Authorization to operate" or like term means approval of the board or North Dakota
16 university system office, as applicable, to operate or to contract to operate a
17 postsecondary educational institution in this state.
- 18 ~~2.3.~~ "Board" means the state board of higher education.
- 19 4. "Distance education" is education using one or more types of technology to deliver
20 instruction to a student who is separated from the instructor and to support regular and

1 substantive interaction between the student and the instructor synchronously or
2 asynchronously.

3 ~~3-5.~~ "Education" or "educational services" or like term includes any class, course, or
4 program of training, instruction, or study.

5 ~~4-6.~~ "Educational credentials" means ~~degrees, diplomas, certificates, transcripts, reports,~~
6 ~~documents, or letters of designation, marks, appellations, series of letters, numbers, or~~
7 ~~words which signify, purport, or are generally taken to signify enrollment, attendance,~~
8 ~~progress, or satisfactory completion of the requirements or prerequisites for education~~
9 ~~at a postsecondary educational institution operating in this state~~ a postsecondary
10 credential leading to a diploma; certificate; or an associate, bachelor, master, or
11 doctorate degree. This term does not include a postsecondary credential leading to an
12 honorary degree or other unearned degree.

13 7. "Person" means an individual, organization, government, political subdivision, or
14 government agency or instrumentality. The term does not include environmental
15 elements, artificial intelligence, an animal, or an inanimate object.

16 ~~5-8.~~ "Physical presence" means a presence established by:

17 a. Maintaining a physical location in the state where students receive instruction or
18 providing instruction to students at a designated location and time in the state;

19 b. Maintaining an administrative office in the state for students receiving in-person
20 instruction or distance education;

21 c. Maintaining a mailing address in the state and a local telephone number;

22 d. Providing office space in the state for instructional or noninstructional staff; and

23 e. Providing student support services at a physical location in the state, whether
24 operated by or on behalf of the institution.

25 9. "Postsecondary educational institution" means an academic, technical, home study,
26 business, professional or other school, college, or university, or other person,
27 operating in this state, offering educational credentials or offering instruction or
28 educational services, primarily to any individual who has completed or terminated
29 secondary education or who is beyond the age of compulsory high school attendance,
30 for attainment of educational, or professional objectives at the associate in arts level or

- 1 higher agency or political subdivision of the state, individual, partnership, company,
2 firm, society, trust, association, corporation, or any combination that:
3 a. Is, owns, or operates a postsecondary educational institution.
4 b. Provides a postsecondary course of instruction leading to a degree.
5 c. Uses in its name the term "college", "academy", "institute", or "university" or a
6 similar term to imply the person is primarily engaged in the education of students
7 at the postsecondary level, and charges for its services.

8 ~~9. "Presence" means a location in North Dakota where a student may participate in a~~
9 ~~structured activity that is not a proctored examination, which is related to a school's~~
10 ~~distance education course of instruction.~~

11 ~~6-10.~~ "To grant" includes awarding, selling, conferring, bestowing, or giving.

12 ~~7-11.~~ "To offer" includes, in addition to its usual meanings, advertising, publicizing, soliciting,
13 or encouraging any individual, directly or indirectly, in any form, to perform the act
14 described.

15 ~~8. "To operate" an educational institution, or like term, means to establish, keep, or~~
16 ~~maintain any facility or location in this state where, from, or through which, education~~
17 ~~is offered or given, or educational credentials are offered or granted, and includes~~
18 ~~contracting with any person to perform any such act.~~

19 **SECTION 2. AMENDMENT.** Section 15-18.1-02 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **15-18.1-02. Exemptions.**

22 The following education and educational schools or institutions are exempted from the
23 provisions of this chapter:

- 24 1. ~~Education sponsored by a bona fide~~ Educational programs conducted by a trade,
25 business, professional, or fraternal organization, so recognized by the board, solely for
26 that organization's membership, or offered on a no-fee basis.
27 2. Education offered by charitable institutions, organizations, or agencies, so recognized
28 by the board, provided the education is not advertised or promoted as leading toward
29 educational credentials.

- 1 3. Postsecondary educational institutions established, operated, and governed by this or
2 any other state or its political subdivisions, as determined by the board and any
3 educational consortium that includes one or more of the institutions.
- 4 4. Private four-year institutions chartered or incorporated and operating in the state prior
5 to July 1, 1977, so long as the institutions retain accreditation by national or regional
6 accrediting agencies and are recognized by the United States office department of
7 education.
- 8 5. Schools of nursing regulated under chapter 43-12.1.
- 9 6. Native American colleges operating in this state, established by federally recognized
10 Indian tribes.
- 11 ~~7. Postsecondary educational institutions not operating in this state.~~
- 12 ~~8-7. Institutions whose only physical presence in this state consists of students enrolled in~~
13 ~~practicums, internships, clinicals, or student teaching in this state.~~
- 14 ~~9-8. Postsecondary career schools regulated under chapter 15-20.4.~~

15 **SECTION 3. AMENDMENT.** Section 15-18.1-05 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **15-18.1-05. Minimum standards to operate with a physical presence in North Dakota.**

18 All postsecondary educational institutions with a physical presence in the state must be
19 accredited by national or regional accrediting agencies recognized by the United States
20 department of education, have a federal financial responsibility composite score greater than
21 one and one-half, and provide students with institutional public disclosures as defined by the
22 board. The board additionally may additionally require such further evidence and make such
23 further investigation as in its judgment may be necessary. ~~Any postsecondary educational~~
24 ~~institution operating in this state seeking its first authorization to operate may be issued a~~
25 ~~provisional authorization to operate on an annual basis until the institution becomes eligible for~~
26 ~~accreditation by a recognized accrediting agency. Institutions issued a provisional authorization~~
27 ~~to operate must demonstrate a substantial good faith showing of progress toward such status.~~
28 ~~Only upon~~ Upon accreditation may an institution may become eligible for a regular state
29 authorization to operate. An institution shall give written notification to the board within thirty
30 days of any change to the institution's accreditation status, change of ownership, or change in
31 federal financial responsibility composite score.

SECTION 4. AMENDMENT. Section 15-18.1-06 of the North Dakota Century Code is amended and reenacted as follows:

15-18.1-06. Prohibition - Penalty.

1. A person may not:

- a. Operate, in this state, a postsecondary educational institution not exempted from the provisions of this chapter, unless the institution has a currently valid authorization to operate issued under this chapter.
- b. Instruct or educate, or offer to instruct or educate, including advertising or soliciting for such purpose, enroll or offer to enroll, contract or offer to contract with any person for such purpose, or award any educational credential, or contract with any institution or party to perform any such act, at a facility or location in this state unless ~~such~~the person, ~~group, or entity~~ observes and ~~is in compliance~~complies with the minimum standards and criteria established by the board and the policies adopted by the board.
- c. Use the term "university", "institute", or "college" without authorization to do so from the board.
- d. Grant, or offer to grant, educational credentials, without authorization to do so from the board.

2. A person who violates this section, or who fails or refuses to deposit with the board the records required by the board under this chapter, is subject to a civil penalty not to exceed ~~one hundred~~one thousand five hundred dollars for each violation. Each day's failure to comply with these provisions is a separate violation. The fine may be imposed by the board ~~in an administrative proceeding or by any court of competent jurisdiction~~consistent with board policy and procedure.

3. A person who willfully violates this section, or who willfully fails or refuses to deposit with the board the records required by the board under this chapter, is guilty of a class B misdemeanor. The criminal sanctions may be imposed by a court of competent jurisdiction in an action brought by the attorney general of this state or a state's attorney pursuant to section 15-18.1-12.

4. The board may suspend or revoke a person's authorization to offer distance education to North Dakota residents until the person complies with the national council for state

1 authorization reciprocity agreements membership requirements, unless the person is
2 exempt under section 7 of this Act.

3 5. The North Dakota university system office will notify in writing a person found to be out
4 of compliance and the person will have thirty days to remedy the deficiency. If the
5 deficiency is not remedied within the thirty-day period, penalties may be assessed
6 under subsection 2.

7 **SECTION 5. AMENDMENT.** Section 15-18.1-10 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **15-18.1-10. Board review.**

10 A person aggrieved by a decision of the ~~board~~ North Dakota university system respecting
11 denial or revocation of an authorization to operate, or the placing of conditions thereon, whether
12 on initial application or on application for renewal may appeal to the board in the manner
13 provided by the board. Appeals must be filed with the North Dakota university system within
14 thirty days of receiving the notice of noncompliance. The board shall review the appeal and
15 issue a final decision.

16 **SECTION 6. AMENDMENT.** Subsection 4 of section 15-18.1-13 of the North Dakota
17 Century Code is amended and reenacted as follows:

- 18 4. As used in this section, "duly authorized institution of higher learning" means an
19 institution that:
- 20 a. Has accreditation recognized by the United States ~~secretary~~ department of
21 education or has the foreign equivalent of such accreditation;
 - 22 b. Has an authorization to operate under this chapter or under chapter 15-20.4;
 - 23 c. Operates in this state, and is exempt from this chapter under section 15-18.1-02
24 or is exempt from chapter 15-20.4 under section 15-20.4-02;
 - 25 d. Does not operate in this state and is:
 - 26 (1) Licensed by the appropriate state agency; and
 - 27 (2) An active applicant for accreditation by an accrediting body recognized by
28 the United States ~~secretary~~ department of education; or
 - 29 e. Has been found by the state board of higher education or the state board for
30 career and technical education to meet standards of academic quality
31 comparable to those of an institution located in the United States that has

1 accreditation recognized by the United States ~~secretary~~department of education
2 to offer degrees of the type and level claimed.

3 **SECTION 7.** A new section to chapter 15-18.1 of the North Dakota Century Code is created
4 and enacted as follows:

5 **Required national council for state authorization reciprocity agreements**
6 **membership - Exemption.**

7 1. A postsecondary educational institution offering distance education programs to
8 students in North Dakota must be a member of the national council for state
9 authorization reciprocity agreements and comply with the requirements of the council.
10 Institutions must adhere to all standards, policies, and fees established by the national
11 council for state authorization reciprocity agreements for membership and
12 participation, including reporting requirements, quality standards, and consumer
13 protection measures.

14 2. A postsecondary educational institution that is ineligible to participate in national
15 council for state authorization reciprocity agreements due to composite score
16 requirements is exempt from the requirements under subsection 1 if the
17 postsecondary educational institution:

18 a. Is an eligible participant in student financial aid programs under title IV of the
19 Higher Education Act of 1965 [Pub. L. 89-329; 79 Stat. 1219; 20 U.S.C. 1001
20 et seq.]; and

21 b. At the institution level, has a financial responsibility score calculated by an
22 independent auditor using the methodology prescribed by the United States
23 department of education greater than one and one-half.

24 3. The state board of higher education shall adopt a policy to implement this section,
25 which may include a fee.

26 **SECTION 8. REPEAL.** Section 15-18.1-03 of the North Dakota Century Code is repealed.

**REPORT OF STANDING COMMITTEE
HB 1064**

Education Committee (Rep. Heinert, Chairman) recommends **AMENDMENTS** ([25.8070.01002](#)) and when so amended, recommends **DO PASS** (12 YEAS, 1 NAY, 1 ABSENT OR EXCUSED AND NOT VOTING). HB 1064 was placed on the Sixth order on the calendar.

25.8070.01002
Title.

Prepared by the Legislative Council
staff for Representative Heinert
February 17, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1064

Introduced by

Education Committee

(At the request of the State Board of Higher Education)

1 A BILL for an Act to create and enact a new section to chapter 15-18.1 of the North Dakota
2 Century Code, relating to the national council for state authorization reciprocity agreements
3 membership; to amend and reenact sections 15-18.1-01, 15-18.1-02, 15-18.1-05, 15-18.1-06,
4 and 15-18.1-10, and subsection 4 of section 15-18.1-13 of the North Dakota Century Code,
5 relating to postsecondary education institution standards; and to repeal section 15-18.1-03 of
6 the North Dakota Century Code, relating to the authorization of a postsecondary educational
7 institution not operating in this state.

8 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

9 **SECTION 1. AMENDMENT.** Section 15-18.1-01 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **15-18.1-01. Definitions.**

12 As used in this chapter:

- 13 1. "Accredited" means approved by an accrediting body recognized by the United States
14 department of education.
- 15 2. "Authorization to operate" or like term means approval of the board or North Dakota
16 university system office, as applicable, to operate or to contract to operate a
17 postsecondary educational institution in this state.
- 18 ~~2-3.~~ "Board" means the state board of higher education.
- 19 4. "Distance education" is education using one or more types of technology to deliver
20 instruction to a student who is separated from the instructor and to support regular and

1 substantive interaction between the student and the instructor synchronously or
2 asynchronously.

3 ~~3.5.~~ "Education" or "educational services" or like term includes any class, course, or
4 program of training, instruction, or study.

5 ~~4.6.~~ "Educational credentials" means ~~degrees, diplomas, certificates, transcripts, reports,~~
6 ~~documents, or letters of designation, marks, appellations, series of letters, numbers, or~~
7 ~~words which signify, purport, or are generally taken to signify enrollment, attendance,~~
8 ~~progress, or satisfactory completion of the requirements or prerequisites for education~~
9 ~~at a postsecondary educational institution operating in this state~~ a postsecondary
10 credential leading to a diploma; certificate; or an associate, bachelor, master, or
11 doctorate degree. This term does not include a postsecondary credential leading to an
12 honorary degree or other unearned degree.

13 ~~7.~~ "Person" means an individual, organization, government, political subdivision, or
14 government agency or instrumentality. The term does not include environmental
15 elements, artificial intelligence, an animal, or an inanimate object.

16 ~~5.8.~~ "Physical presence" means a presence established by:

17 a. Maintaining a physical location in the state where students receive instruction or
18 providing instruction to students at a designated location and time in the state;

19 b. Maintaining an administrative office in the state for students receiving in-person
20 instruction or distance education;

21 c. Maintaining a mailing address in the state and a local telephone number;

22 d. Providing office space in the state for instructional or noninstructional staff; and

23 e. Providing student support services at a physical location in the state, whether
24 operated by or on behalf of the institution.

25 ~~9.~~ "Postsecondary educational institution" means an academic, technical, home study,
26 business, professional or other school, college, or university, or other person,
27 operating in this state, offering educational credentials or offering instruction or
28 educational services, primarily to any individual who has completed or terminated
29 secondary education or who is beyond the age of compulsory high school attendance,
30 for attainment of educational, or professional objectives at the associate in arts level or

higher agency or political subdivision of the state, individual, partnership, company, firm, society, trust, association, corporation, or any combination that:

- a. Is, owns, or operates a postsecondary educational institution.
- b. Provides a postsecondary course of instruction leading to a degree.
- c. Uses in its name the term "college", "academy", "institute", or "university" or a similar term to imply the person is primarily engaged in the education of students at the postsecondary level, and charges for its services.

~~9. "Presence" means a location in North Dakota where a student may participate in a structured activity that is not a proctored examination, which is related to a school's distance education course of instruction.~~

~~6.10.~~ "To grant" includes awarding, selling, conferring, bestowing, or giving.

~~7.11.~~ "To offer" includes, in addition to its usual meanings, advertising, publicizing, soliciting, or encouraging any individual, directly or indirectly, in any form, to perform the act described.

~~8. "To operate" an educational institution, or like term, means to establish, keep, or maintain any facility or location in this state where, from, or through which, education is offered or given, or educational credentials are offered or granted, and includes contracting with any person to perform any such act.~~

SECTION 2. AMENDMENT. Section 15-18.1-02 of the North Dakota Century Code is amended and reenacted as follows:

15-18.1-02. Exemptions.

The following education and educational schools or institutions are exempted from the provisions of this chapter:

1. ~~Education sponsored by a bona fide~~ Educational programs conducted by a trade, business, professional, or fraternal organization, so recognized by the board, solely for that organization's membership, or offered on a no-fee basis.
2. Education offered by charitable institutions, organizations, or agencies, so recognized by the board, provided the education is not advertised or promoted as leading toward educational credentials.

3. ~~Postsecondary educational institutions established, operated, and governed by this or any other state or its political subdivisions, as determined by the board and any educational consortium that includes one or more of the institutions.~~

4. Private four-year institutions chartered or incorporated and operating in the state prior to July 1, 1977, so long as the institutions retain accreditation ~~by national or regional accrediting agencies~~ and are recognized by the United States ~~office~~ department of education.

5. Schools of nursing regulated under chapter 43-12.1.

6. Native American colleges operating in this state, established by federally recognized Indian tribes.

~~7. Postsecondary educational institutions not operating in this state.~~

~~8.7.~~ Institutions whose only physical presence in this state consists of students enrolled in practicums, internships, clinicals, or student teaching in this state.

~~9.8.~~ Postsecondary career schools regulated under chapter 15-20.4.

SECTION 3. AMENDMENT. Section 15-18.1-05 of the North Dakota Century Code is amended and reenacted as follows:

15-18.1-05. Minimum standards to operate with a physical presence in North Dakota.

All postsecondary educational institutions with a physical presence in the state must be accredited ~~by national or regional accrediting agencies recognized by the United States department of education,~~ have a federal financial responsibility composite score greater than one and one-half, and provide students with institutional public disclosures as defined by the board. The board additionally may ~~additionally~~ require such further evidence and make such further investigation as in its judgment may be necessary. ~~Any postsecondary educational institution operating in this state seeking its first authorization to operate may be issued a provisional authorization to operate on an annual basis until the institution becomes eligible for accreditation by a recognized accrediting agency. Institutions issued a provisional authorization to operate must demonstrate a substantial good-faith showing of progress toward such status.~~ Only upon ~~Upon~~ accreditation may an institution may become eligible for a regular state authorization to operate. An institution shall give written notification to the board within thirty days of any change to the institution's accreditation status, change of ownership, or change in federal financial responsibility composite score.

1 **SECTION 4. AMENDMENT.** Section 15-18.1-06 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **15-18.1-06. Prohibition - Penalty.**

4 1. A person may not:

- 5 a. Operate, in this state, a postsecondary educational institution not exempted from
6 the provisions of this chapter, unless the institution has a currently valid
7 authorization to operate issued under this chapter.
- 8 b. Instruct or educate, or offer to instruct or educate, including advertising or
9 soliciting for such purpose, enroll or offer to enroll, contract or offer to contract
10 with any person for such purpose, or award any educational credential, or
11 contract with any institution or party to perform any such act, at a facility or
12 location in this state unless ~~such~~the person, group, or entity observes and is in-
13 ~~compliance~~complies with the minimum standards and criteria established by the
14 board and the policies adopted by the board.
- 15 c. Use the term "university", "institute", or "college" without authorization to do so
16 from the board.
- 17 d. Grant, or offer to grant, educational credentials, without authorization to do so
18 from the board.

19 2. A person who violates this section, or who fails or refuses to deposit with the board the
20 records required by the board under this chapter, is subject to a civil penalty not to
21 exceed ~~one hundred~~one thousand five hundred dollars for each violation. Each day's
22 failure to comply with these provisions is a separate violation. The fine may be
23 imposed by the board ~~in an administrative proceeding or by any court of competent~~
24 ~~jurisdiction~~consistent with board policy and procedure.

25 3. A person who willfully violates this section, or who willfully fails or refuses to deposit
26 with the board the records required by the board under this chapter, is guilty of a
27 class B misdemeanor. The criminal sanctions may be imposed by a court of
28 competent jurisdiction in an action brought by the attorney general of this state or a
29 state's attorney pursuant to section 15-18.1-12.

30 4. The board may suspend or revoke a person's authorization to offer distance education
31 to North Dakota residents until the person complies with the national council for state

authorization reciprocity agreements membership requirements, unless the person is exempt under section 7 of this Act.

5. The North Dakota university system office will notify in writing a person found to be out of compliance and the person will have thirty days to remedy the deficiency. If the deficiency is not remedied within the thirty-day period, penalties may be assessed under subsection 2.

SECTION 5. AMENDMENT. Section 15-18.1-10 of the North Dakota Century Code is amended and reenacted as follows:

15-18.1-10. Board review.

A person aggrieved by a decision of the ~~board~~North Dakota university system respecting denial or revocation of an authorization to operate, or the placing of conditions thereon, whether on initial application or on application for renewal may appeal to the board in the manner provided by the board. Appeals must be filed with the North Dakota university system within thirty days of receiving the notice of noncompliance. The board shall review the appeal and issue a final decision.

SECTION 6. AMENDMENT. Subsection 4 of section 15-18.1-13 of the North Dakota Century Code is amended and reenacted as follows:

4. As used in this section, "duly authorized institution of higher learning" means an institution that:
- a. Has accreditation recognized by the United States ~~secretary~~department of education or has the foreign equivalent of such accreditation;
 - b. Has an authorization to operate under this chapter or under chapter 15-20.4;
 - c. Operates in this state, and is exempt from this chapter under section 15-18.1-02 or is exempt from chapter 15-20.4 under section 15-20.4-02;
 - d. Does not operate in this state and is:
 - (1) Licensed by the appropriate state agency; and
 - (2) An active applicant for accreditation by an accrediting body recognized by the United States ~~secretary~~department of education; or
 - e. Has been found by the state board of higher education or the state board for career and technical education to meet standards of academic quality comparable to those of an institution located in the United States that has

accreditation recognized by the United States ~~secretary~~department of education
to offer degrees of the type and level claimed.

SECTION 7. A new section to chapter 15-18.1 of the North Dakota Century Code is created
and enacted as follows:

Required national council for state authorization reciprocity agreements membership
- Exemption.

1. A postsecondary educational institution offering distance education programs to
students in North Dakota must be a member of the national council for state
authorization reciprocity agreements and comply with the requirements of the council.
Institutions must adhere to all standards, policies, and fees established by the national
council for state authorization reciprocity agreements for membership and
participation, including reporting requirements, quality standards, and consumer
protection measures.

2. A postsecondary educational institution that is ineligible to participate in national
council for state authorization reciprocity agreements due to composite score
requirements is exempt from the requirements under subsection 1 if the
postsecondary educational institution:

a. Is an eligible participant in student financial aid programs under title IV of the
Higher Education Act of 1965 [Pub. L. 89-329; 79 Stat. 1219; 20 U.S.C. 1001
et seq.]; and

b. At the institution level, has a financial responsibility score calculated by an
independent auditor using the methodology prescribed by the United States
department of education greater than one and one-half.

3. The state board of higher education shall adopt a policy to implement this section,
which may include a fee.

SECTION 8. REPEAL. Section 15-18.1-03 of the North Dakota Century Code is repealed.

2025 SENATE EDUCATION

HB 1064

2025 SENATE STANDING COMMITTEE MINUTES

Education Committee Room JW216, State Capitol

HB 1064
3/12/2025

Relating to the national council for state authorization reciprocity agreements membership; and to postsecondary education institution standards; and to the authorization of a postsecondary educational institution not operating in this state.

10:00 a.m. Vice-Chairman Lemm called the hearing to order.

Members Present: Vice-Chairman Lemm; Senators: Axtman, Boschee, Gerhardt, and Wobbema.

Members Absent: Chairman Beard

Discussion Topics:

- Healthcare workforce shortage
- Uphold rigorous academic standards
- Provide increased educational opportunities
- Ensure better accountability
- Strengthen the regulatory framework
- Streamlines administration of online universities

10:00 a.m. Lisa Johnson, Vice Chancellor for Academic and Student Affairs ND University System, introduced the bill.

10:03 a.m. Claire Gunwall, Director of Academic Affairs ND University System, testified in favor and submitted testimony #40901.

10:22 a.m. Lisa Johnson, Vice Chancellor for Academic and Student Affairs ND University System, followed up with clarification and submitted testimony #40991.

10:40 a.m. Levi Andrist, lobbyist, introduced Dr. Sue Subocz.

10:41 a.m. Dr. Sue Subocz, President & Provost of Walden University, testified in favor and submitted testimony #41083.

Additional written testimony:

Nikki Wegner, ND Long Term Care Association, submitted testimony in favor #40687.

Tim Blasl, President ND Hospital Association, submitted testimony in favor #40592.

Andrea Pfennig, Vice President Government Affairs Greater North Dakota Council, submitted testimony in favor #40846.

Kevin Black, State Board of Higher Education Member, submitted testimony in favor #40903.

Nathaniel Smith, citizen, submitted testimony in favor #40693.

10:54 a.m. Vice-Chairman Lemm closed the hearing.

Susan Helbling, Committee Clerk

**2025 HB 1064****Senate Education Committee****Senator Todd Beard, Chairman****March 12, 2025**

Chairman Beard and members of the Senate Education Committee, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I am here to testify in support of House Bill 1064 as amended. I ask that you give this bill a **Do Pass** recommendation.

The healthcare workforce shortage is acute in North Dakota, especially nursing. From small hospitals in our rural areas to the big hospitals in our major cities, our state is in a chronic healthcare workforce shortage. That is why NDHA initially opposed HB 1064. The bill, as introduced, would've prohibited some accredited online healthcare institutions from educating our North Dakota healthcare workforce. The bill, as amended, addresses our concerns, and we therefore now support HB 1064.

Online education is an important component of filling the nursing pipeline. We need more options for healthcare education, not less, and the amendments allow for accredited institutions who meet federal requirements to continue educating nurses, social workers, and counsellors in the state. We believe the talent pipeline should be fully open, and the exemption provided in this bill for accredited online institutions does just that. Online healthcare education is an important tool for our rural health systems.

In summary, we support the amended bill and hope that you give it a **Do Pass** recommendation.

Respectfully Submitted,

Tim Blasl
North Dakota Hospital Association

**Testimony Relating to the National Council for State Authorization
Reciprocity Agreements Membership
Senate Education Committee
March 12, 2025
House Bill 1064**

Chairman Beard and Members of the Committee, my name is Nikki Wegner, and I am the President at the North Dakota Long Term Care Association. I write today to testify in support of House Bill 1064 as amended and respectfully ask that you give this bill a Do Pass recommendation.

The healthcare workforce shortage is one of the most pressing challenges facing long term care in North Dakota, particularly in nursing. Skilled nursing and basic care facilities across the state, from rural communities to urban areas are struggling to recruit and retain qualified caregivers to meet the needs of an aging population.

That is why we were initially concerned about HB 1064 as introduced. The original language would have restricted some accredited online healthcare programs from educating North Dakota's future workforce, limiting much-needed training opportunities for nurses, social workers, and other critical healthcare professionals.

The bill, as amended, now preserves access to accredited online institutions that meet federal standards. This change is critical for long term care, where facilities often rely on online education programs to help staff further their training while continuing to work in their communities. The flexibility of online education is particularly valuable for rural areas, where traditional in-person programs may not be accessible.

To address the workforce crisis in long term care, we must keep all education pathways open. The amended bill strikes the right balance, ensuring quality education while protecting opportunities for individuals pursuing careers in healthcare.

For these reasons, we **support the amended bill** and urge you to give it a **Do Pass** recommendation.

Thank you for your time,

Nikki Wegner MS, OTR/L, President, North Dakota Long Term Care Association
nikki@ndltca.org

Mr. Chairman and members of the Senate Education Committee,

For the record, my name is Nathaniel Smith. I am a resident of District 47 in Bismarck and work as a professional librarian for a state agency. I am submitting this written testimony in opposition to HB 1064 as currently written. Please note that I am submitting this testimony solely as a private citizen.

Section 7, paragraph 1 of the bill requires that out of state institutions offering online postsecondary degrees in North Dakota be members of the National Council for State Authorization Reciprocity Agreements (NC-SARA). The testimony in favor of this bill says that this requirement is to ensure a minimum standard of quality. In my opinion, however, this language is too narrow. Whether or not an institution is a member of a particular agreement should not be the only reason they can offer distance education in our state.

There are many institutions that offer high-quality programs that are not members of SARA. Most notably, the state of California, which is the largest postsecondary market in the country, is not a SARA member. According to the University of California System's Office of the President, the reason for this is that many California policymakers believe that SARA standards do not offer sufficient protections to students enrolled in distance education.

I personally am aware that one of the best professional library science programs in the country is online-only and is offered by a California school, San Jose State University. I know two North Dakota librarians who got their Master of Library and Information Science degrees at San Jose. One is so proud of his experience he even has the university's license plate frame on his car. If I wanted to continue my professional education, San Jose is also one of the only programs that offers a post-Master's certificate for librarians online, and it is far and away the highest quality such program. Limiting offerings to just SARA institutions takes away that choice, and others like it. I am not able to comment on other California offerings outside of my field, but because the market is so large it stands to reason that there must be other examples besides this one.

Institutions in Canada or other foreign countries also would not be able to participate under the current language of Section 7, because SARA is a US-only consortium. I don't know the answer to this question, but I think it's worth asking how many North Dakota residents are enrolled in distance programs in Canada. UND's website does say that they have students from 6 Canadian provinces enrolled, so there must be some that go the other way.

Distance education students are often working adults, career changers, or other nontraditional students who cannot attend a traditional program. The North Dakota University System does not offer all programs, and not all institutions that offer these programs are members of SARA. I encourage the committee to continue to offer North Dakota residents as much consumer choice as possible for distance degrees by revising Section 7 paragraph 1 to include SARA-equivalent

institutions such as the California Board of Higher Education that are not SARA members, or by deleting the SARA requirement entirely. Please allow North Dakotans to keep as many distance education opportunities as possible.

Thank you for your time and consideration in this matter.



GREATER NORTH DAKOTA CHAMBER
HB 1064
Senate Education Committee
Chair Todd Beard
March 11, 2025

Mr. Chairman and members of the Committee, my name is Andrea Pfennig, and I am the Vice President of Government Affairs for the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization, with membership represented by small and large businesses, local chambers, and trade and industry associations across the state. We stand in **support** of House Bill 1064.

In our 2024 ND Economics and Employer Survey of our membership, 70% of respondents indicated they were having trouble hiring employees. Labor availability has been identified as the top business concern facing companies in North Dakota.

Because of this, our members feel it is important to maximize the flexibility of educational institutions. Streamlined and affordable educational opportunities that target high demand occupations are vital to ensure that we have a strong talent pipeline in place. Online universities provide an important educational opportunity—particularly in rural areas.

As originally introduced, the bill would have put up barriers for some accredited online institutions to operate in the state and GNDC was opposed. However, the House Education Committee amended the bill to provide a fair, reasonable, and enforceable exemption to the requirement that all online universities have to participate in a national clearing house (NC-SARA).

In its current form HB 1064 provides a balanced approach. Having a defined exemption that still allows for the university system to gain administrative efficiencies provides the type of responsive, common-sense regulatory environment that GNDC supports.

We respectfully ask the committee to support the amended bill. Thank you for your consideration.



HB 1064
Senate Education Committee
March 12, 2025
Claire Gunwall, Director of Academic Affairs, NDUS
701.328.4140 | claire.gunwall@ndus.edu

Chair Beard and members of the Senate Education Committee, my name is Claire Gunwall. I serve as the Director of Academic Affairs for the North Dakota University System. I am here to present testimony on behalf of the North Dakota University System (NDUS) and the State Board of Higher Education (SBHE) regarding House Bill 1064. This bill proposes significant amendments to chapter 15-18.1 of the North Dakota Century Code, relating to postsecondary education institution standards. The NDUS and SBHE support House Bill No. 1064, which aligns with our mission to uphold rigorous academic standards and provide increased educational opportunities in North Dakota. The bill introduces crucial changes aimed at strengthening the regulatory framework governing postsecondary education, particularly distance education, to ensure better accountability, student protection, and educational quality. As a roadmap, I would like the committee to keep these three key points in mind:

- All out-of-state institutions should be held to the same rigorous standards as institutions within the NDUS.
- The NDUS should not be devoted nearly one full day a week to vetting out-of-state institutions.
- There are hundreds of available seats in healthcare programs for students within the NDUS. Adopting these proposed amendments does not compound any type of workforce crisis in nursing or other healthcare programs because the NDUS has the capacity to teach these students.

Some of the key provisions include:

1. **Clear Definitions and Clarifications:** By amending section 15-18.1-01, the bill offers clearer definitions, such as "distance education" and "educational credentials," making the language more reflective of current practices and ensuring proper regulation of both physical and online institutions.
2. **Enhanced Accreditation and Financial Responsibility Standards:** The bill stresses the importance of accreditation by agencies recognized by the [U.S. Department of Education](#) and ensures that the parent company and institutions maintain a [federal financial responsibility composite score](#) of 1.5 or higher. A score greater than or equal to 1.5 indicates the institution is considered financially responsible. These measures ensure the financial stability of institutions, reducing risks associated with unexpected closures or financial instability, thus protecting students.

3. **Enhanced Consumer Protections Against Unauthorized Institutions:** The bill strengthens protections for students by prohibiting institutions that do not meet the required authorization or accreditation standards from operating in the state. This provision ensures that students are not misled by institutions that may offer substandard education or lack proper accreditation. It also allows the State Board of Higher Education to enforce these standards, ensuring that only authorized institutions are allowed to operate within North Dakota. This creates a safer educational environment for students and ensures that they receive valid and recognized credentials upon completion of their programs.
4. **National Council for State Authorization Reciprocity Agreements (NC-SARA) Membership Requirement:** One of the most important aspects of this bill is the introduction of the requirement for all postsecondary institutions offering distance education to students in North Dakota to be members of NC-SARA. NC-SARA is an [agreement](#) among states, districts, and territories in the U.S. to make it easier for students to take online courses offered by postsecondary institutions based in another state. The NC-SARA membership streamlines state authorization, providing a standardized set of regulations ensuring student consumer protection. This membership allows out-of-state institutions to operate in all participating states without needing separate approval from each state. More than 2,400 [institutions](#) voluntarily participate. In Fall 2023, 513 institutions offered distance education to 5,478 North Dakota students. Currently, fourteen ND institutions are members of NC-SARA. We do recognize that some institutions may be [ineligible](#) or may choose not to join, reducing student access to out-of-state institutions. However, the NC-SARA membership would ensure consistent consumer protection and provide transparency and consistent processes for institutions to adhere to. To put it simply, NC-SARA offers an objective measurement of consumer protection to protect students.

During the House Education hearing, an out-of-state institution testified against the amendments, citing its inability to apply for NC-SARA membership due to the parent company's federal financial responsibility composite score not meeting the minimum requirement. The institution expressed a preference for using the institutional composite score rather than the parent company's score as the basis for eligibility and recommended the removal of the NC-SARA membership requirement altogether. Additionally, the institution indicated this bill could hinder the education of healthcare professionals in North Dakota. Chair Heinert requested NDUS, SBHE, and the institution to meet and discuss an amendment to the original bill proposal. After discussions, the SBHE agreed to include in Section 7, subsection 2:

2. A postsecondary institution that is denied membership of the national council for state authorization reciprocity agreements, or if its membership is revoked or otherwise changes in a manner that impacts its eligibility to participate, may request an exemption to the requirement of subsection 1 for good cause. The state board of

higher education shall adopt a policy to implement this statute, which may include a fee for such requests.

Notably, this amendment, which was approved by the SBHE, created an exemption to NC-SARA membership, but the application would be reviewed by the SBHE and granted for good cause. However, the House Education Committee approved the following amendment:

2. A postsecondary educational institution that is ineligible to participate in national council for state authorization reciprocity agreements due to composite score requirements is exempt from the requirements under subsection 1 if the postsecondary educational institution:

a. Is an eligible participant in student financial aid programs under title IV of the Higher Education Act of 1965 [Pub. L. 89-329; 79 Stat. 1219; 20 U.S.C. 1001 et seq.]; and

b. At the institution level, has a financial responsibility score calculated by an independent auditor using the methodology prescribed by the United States department of education greater than one and one-half.

3. The state board of higher education shall adopt a policy to implement this section, which may include a fee.

The SBHE and NDUS were **not** provided with the amendments approved by the House Education Committee. Therefore, we must express our concerns related to Section 7, specifically subsections 2 and 3. These subsections, allowing institutions to bypass NC-SARA membership requirements and bypass SBHE review based on eligibility for federal student aid programs and institutional financial responsibility composite scores, create significant risks. We recommend all institutions providing distance education in North Dakota must be held to the same rigorous standards as our North Dakota institutions to protect students and ensure educational integrity.

Granting an exemption to an institution with a low parent company financial composite score, simply because it participates in Title IV financial aid, is risky for students. Receiving Title IV financial aid is not the gold standard of consumer protection for our students. There are times where an institution may be receiving Title IV financial aid, but the U.S. Department of Education is engaging in heightened review and oversight. Institutions that receive Title IV financial aid, may still be subject to concerns over administrative capabilities, program review, false advertising, and predatory practices. Many of these concerns have resulted in litigation and multi-million-dollar settlements. Meanwhile, these institutions still receive Title IV financial aid. Additionally, if this amendment, which would exempt an institution from NC-SARA membership and SBHE review because they receive Title IV

funding, is passed, it could increase the risk of delayed or disrupted financial aid for students if the Department of Education is engaging in [Heightened Cash Monitoring](#) (HCM) with an institution. Financial instability could lead to school closures or operational failures, leaving students with debt but no degree. HCM exists to protect students by ensuring funds are managed responsibly, and bypassing these safeguards would undermine protections, leaving students vulnerable to unnecessary financial and academic setbacks.

Furthermore, NC-SARA [requires](#) the federal composite score of the parent company, not the individual institution's score, for several important reasons, all of which are crucial for upholding educational quality and ensuring student protection:

- The parent company often oversees multiple institutions and using its federal composite score ensures that all associated institutions are evaluated under the same umbrella.
- The parent company typically has overarching control over its affiliated institutions. It governs critical aspects such as resources, budgets, staffing, and strategic direction. Given this centralized control, it is logical for the parent company's composite score to reflect the financial health of all its institutions.
- Evaluating each institution separately could lead to fragmented or inconsistent financial assessments. Some institutions may appear financially sound, while others may be struggling, which could mask the overall health of the parent organization. The parent company's financial health is a more accurate reflection of its ability to provide continued support across all its institutions, ensuring that all affiliated institutions, whether offering physical or distance education, operate within a financially secure framework.
- NC-SARA uses the parent company's composite score to help guarantee the financial stability of the entire network of institutions, which is critical for protecting students. If a parent company is financially unstable, that instability can affect all of its institutions, potentially leaving students with unfulfilled educational promises and burdens.

In light of these reasons, the federal composite score of the parent company plays a vital role in ensuring the integrity and financial health of the entire educational network. Allowing an exemption for institutions based on their individual score, rather than holding the parent company accountable, could undermine the very purpose of ensuring financial responsibility and student consumer protection.

Furthermore, North Dakota institutions, along with those holding NC-SARA membership, play a crucial role in addressing the state's healthcare workforce needs by providing accessible, high-quality education and training for aspiring healthcare professionals. NC-SARA membership ensures that these institutions meet rigorous academic and operational

standards, enabling them to offer students a wide variety of accredited programs. This membership also promotes collaboration between institutions across states, enhancing North Dakota's ability to produce a well-trained healthcare workforce to meet both local and regional demands.

We respectfully recommend a removal or revision of these subsections to ensure that the bill fulfills its goal of creating a transparent, reliable, and high-quality educational environment for North Dakota students. By doing so, the bill will better align with our mission of upholding both academic excellence and strong student consumer protections for students.

5. **Streamlining authorization processes:** The repeal of Section 15-18.1-03, which relates to the authorization of postsecondary educational institutions not operating in the state, is an important step in streamlining the regulatory framework. This section is no longer necessary with the expanded provisions related to out-of-state institutions offering distance education, particularly given the new NC-SARA membership requirement. This change will reduce the time and effort for staff to review out-of-state institutions.

Currently, the NDUS Office's total hours spent processing state authorization applications for out-of-state institutions that are not NC-SARA members vary depending on the complexity of the application and the need for additional reviews. This process typically includes the following activities: evaluating the institution's compliance with N.D.C.C. ch. 15-18.1, reviewing the institution's accreditation status, assessing composite scores to ensure alignment with the 1.5 requirements, verifying professional licensure requirements for relevant academic programs, and collecting applicable fees. Generally, within a year, the NDUS Office reviews approximately 40 to 50 applications, which are mostly institutions from California. On average, approximately 2-8 hours a week are dedicated to reviewing and processing out-of-state applications. Putting this in perspective, what this means is that the State of North Dakota is devoting, at times, one entire day a week of a state employee's time processing out-of-state applications who have undergone less rigorous vetting than our state institutions.

The SBHE felt strongly that to better protect North Dakota students and to better utilize NDUS staff time, they supported using an objective measurement, such as NC-SARA membership, was the most appropriate way to proceed.

In conclusion, the SBHE and NDUS fully support House Bill 1064 with the proposed amendments to chapter 15-18.1 of the North Dakota Century Code. We believe that these changes will significantly strengthen the standards and accountability of postsecondary education in North Dakota, benefiting students and institutions alike. By requiring NC-SARA membership, enhancing financial and accreditation standards, and ensuring robust student consumer protection, this bill will help create a more transparent, reliable, and high-quality educational environment for students across the state. These amendments: 1. Require out-of-state institutions be held to the same rigorous standards as NDUS institutions, 2. Create a logical business approach by setting an objective



standard for consumer protection and eliminating the need for an NDUS employee to dedicate a full day each week to vet out-of-state institutions and 3. Do not cause a healthcare workforce shortage, as NDUS institutions have the capacity to educate and graduate all interested students. We respectfully urge the committee to recommend a “Do Pass” for House Bill 1064, with the removal or revision of ***Section 7, subsections 2-3*** to ensure that all institutions providing distance education meet the necessary national standards.

Thank you for considering our position, and I’d be happy to answer any questions you may have.

Support of HB 1064
Senate Education Committee
March 12, 2025
Kevin Black, Member, State Board of Higher Education

Honorable members of the Senate Education Committee,

As a member of the State Board of Higher Education, I respectfully submit this testimony of support for House Bill 1064, which is designed to establish a level playing field for educational institutions and protect North Dakota students from financial and educational risks. The bill encompasses several key provisions that I believe are essential for upholding high academic standards, financial stability, and the integrity of distance education.

House Bill 1064 ensures that out-of-state institutions are held to the same academic and financial standards as those within the North Dakota University System (NDUS). This is a crucial step in maintaining the quality of education provided to our students. Specifically, the bill leverages the National Council for State Authorization Reciprocity Agreements (NC-SARA) membership as a nationally recognized benchmark for student consumer protection. This membership guarantees that institutions meet consistent standards to offer distance education, thereby fostering transparency and accountability.

One of the most significant concerns is the potential financial distress faced by institutions receiving Title IV federal student aid. Despite this aid, many institutions have encountered heightened oversight, lawsuits, and even sudden closures, leaving students burdened with debt and without a degree. HB 1064 aims to mitigate these risks by enforcing a robust regulatory framework that ensures only institutions with proven financial stability and accredited programs can operate within North Dakota. This framework is instrumental in reducing the chances of fraud, misrepresentation, and predatory practices.

NC-SARA membership provides a standardized process for approving distance education providers, ensuring consistency and clarity across states. This standardization is vital for maintaining educational integrity and protecting student consumers. Without such benchmarks, students may enroll in institutions with inadequate oversight, leading to poor educational outcomes, unrecognized credentials, or loss of tuition if institutions close unexpectedly.

Currently, NDUS staff spend up to one full day per week reviewing out-of-state institution applications—a process that is both time-consuming and unnecessary given that NC-SARA membership provides a reliable and efficient vetting system. By adopting the NC-SARA requirement, NDUS can streamline operations, redirect valuable staff time to initiatives that directly support North Dakota students and institutions, and deliver more efficient government to the taxpayers.

In conclusion, House Bill 1064 represents a comprehensive approach to protecting the educational landscape in North Dakota. By establishing rigorous standards for out-of-state institutions, protecting students from financial and educational risks, and strengthening consumer protections, we can ensure that our students receive the highest quality education in a safe and stable environment. Furthermore, by efficiently utilizing NDUS resources and maintaining robust

healthcare education programs, we can secure a brighter future for North Dakota's students. I urge the Senate Education Committee to support this bill and help achieve these goals.

Thank you for your attention and consideration.

Sincerely,

Kevin Black

Member, State Board of Higher Education

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Senate Education Committee
March 12, 2025
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Thank you for your attention and consideration.

Sincerely,

Kevin Black

Member, State Board of Higher Education

NATIONAL COUNCIL FOR STATE AUTHORIZATION RECIPROCITY AGREEMENTS (NC-SARA)

MHEC

**Midwestern
Higher Education
Compact**

WICHE

**Western Interstate
Commission for
Higher Education**

SREB

**Southern
Regional
Education Board**

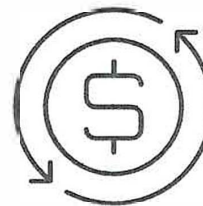
NEBHE

**New England
Board of
Higher Education**

NC-SARA CRITERIA



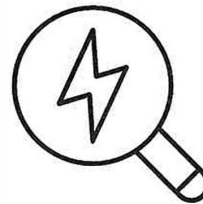
MHEC Membership



**Composite Financial
Index (CFI) Score
of 1.5 or above**



**Accreditation
recognized by the
U.S. Department of Education**



**Disclosure of adverse action
or investigations related to the
institution's academic quality,
financial stability, student consumer
protections, or state/federal compliance**

NORTH DAKOTA NC-SARA MEMBERS

| |  |  |  |  | |  |  |  |  |
|-----------------------------|---|---|---|--|-------------------------|---|---|---|---|
| Bismarck State College | ✓ | ✓ | ✓ | ✓ | ND State University | ✓ | ✓ | ✓ | ✓ |
| Dakota College at Bottineau | ✓ | ✓ | ✓ | ✓ | University of Jamestown | ✓ | ✓ | ✓ | ✓ |
| Dickinson State University | ✓ | ✓ | ✓ | ✓ | University of Mary | ✓ | ✓ | ✓ | ✓ |
| Lake Region State College | ✓ | ✓ | ✓ | ✓ | University of ND | ✓ | ✓ | ✓ | ✓ |
| Mayville State University | ✓ | ✓ | ✓ | ✓ | Trinity Bible College | ✓ | ✓ | ✓ | ✓ |
| Minot State University | ✓ | ✓ | ✓ | ✓ | VC State University | ✓ | ✓ | ✓ | ✓ |
| ND State College of Science | ✓ | ✓ | ✓ | ✓ | Williston State College | ✓ | ✓ | ✓ | ✓ |

WHO CAN OPERATE IN ND?



14 ND Institutions

BSC, DCB

DSU, LRSC

MaSU, MiSU

NDSCS, NDSU

U of Jamestown

U of Mary

UND, Trinity Bible

VCSU, WSC



- 2,400+ online, out-of-state educational providers

- 500+ institutions offer distance education in North Dakota

- 5,000+ ND students enrolled in out-of-state courses



- Online providers not meeting NC-SARA criteria

- 40-60 providers apply annually in North Dakota

- Mostly from California

- Extremely time-consuming

Option 1. The NDUS recommends striking the following in Section 7, subsections 2 and 3:

~~2. A postsecondary educational institution that is ineligible to participate in national council for state authorization reciprocity agreements due to composite score requirements is exempt from the requirements under subsection 1 if the postsecondary educational institution:~~

~~a. Is an eligible participant in student financial aid programs under title IV of the Higher Education Act of 1965 [Pub. L. 89-329; 79 Stat. 1219; 20 U.S.C. 1001 et seq.]; and~~

~~b. At the institution level, has a financial responsibility score calculated by an independent auditor using the methodology prescribed by the United States department of education greater than one and one-half.~~

~~3. The state board of higher education shall adopt a policy to implement this section, which may include a fee.~~

Option 2. The NDUS recommends replacing Section 7, subsections 2-3 with SBHE approved appeal in Section 7, subsection 2:

2. A postsecondary institution that is denied membership of the national council for state authorization reciprocity agreements, or if its membership is revoked or otherwise changes in a manner that impacts its eligibility to participate, may request an exemption to the requirement of subsection 1 for good cause. The state board of higher education shall adopt a policy to implement this statute, which may include a fee for such requests.

SBHE RECOMMENDED AMENDMENT

Testimony in Support of Amended HB 1064

Dr. Sue Subocz, Associate President & Provost of Walden University

Adtalem Global Education

Senate Education Committee

March 12, 2025

Chair Beard and Members of the Senate Education Committee,

Thank you for the opportunity to present this testimony today. For the record, my name is Dr. Sue Subocz, and I serve as associate president, provost and chief academic officer for Walden University, which is a university owned by Adtalem Global Education, along with Chamberlain University and others. While we certainly support the streamlining of authorizing online universities accredited by the Higher Learning Commission, this amended bill allows our institutions to continue educating hundreds of health care professionals in North Dakota in a time when the state has a tremendous shortage of healthcare professionals. The bill, as introduced, would've disallowed our education of North Dakota healthcare students. But the amendments address our concerns—and we stand in support of the amended bill.

This amended bill streamlines the administration and authorization of online universities without compromising our ability to educate North Dakotans, especially in a time when growing our healthcare workforce is so critical. The amended bill provides clear criteria for the North Dakota University System to review and determine an online university's ability to provide education to North Dakota residents. We understand the state legislature and governor have very strong support for increasing workforce development in North Dakota, and this legislation, as amended, allows our accredited institutions to provide access to online education for hundreds if not thousands of healthcare students in the coming years. We appreciate the support of various North Dakota healthcare and business organizations, who support the amended bill as well.

I will try to be as concise as possible, but please allow me to share some important background and our rationale given the technical nature of the bill.

Background of Adtalem

Adtalem is the leading healthcare educator in the US and the parent company of Chamberlain University and Walden University, along with two medical schools and a veterinary school. Adtalem is at the forefront of addressing the critical challenges in healthcare, with a special focus on alleviating the workforce shortage. Nationwide, there is an expected shortage of 500,000 nurses by 2030, a shortage that many communities and healthcare systems cannot

afford. Faced with the growing impact of the workforce shortage, quality patient care is at risk and reports of mental health challenges among staff are on the rise.

Chamberlain University is the largest nursing school in the US and Walden University is the third largest nursing school. Adtalem is the #1 grantor of US nursing degrees. Walden is among the top 5 grantors of Master of Social Work (MSW) degrees. We have 139 North Dakota residents that are active students at Chamberlain and Walden University, with over 80 of those enrolled in nursing programs.

Adtalem addresses the shortage head-on by educating and preparing the next generation of nurses at Chamberlain and Walden University to enter the workforce with the tools and knowledge needed to deliver quality care. We want to be able to continue to do that in North Dakota, educating North Dakota students and enhancing North Dakota's healthcare workforce.

Background of Walden and Chamberlain

Chamberlain University is a healthcare education institution, fully accredited by the Higher Learning Commission, authorized by Illinois Board of Higher Education, along with numerous programmatic accreditors. For at least 8 years, and more formally for the last 2 years, NDUS has authorized Chamberlain's operation, through approvals and prior to the approvals through the exemption process. As of March, 48 North Dakota residents were enrolled in Chamberlain's programs: 46 students were enrolled in nursing programs. As of March, Chamberlain had conferred 93 degrees to North Dakota residents. Our graduates go on to work at places like: Sanford Health, Trinity Health and Altru Health System.

Walden University is fully accredited by the Higher Learning Commission, authorized by Minnesota Office of Higher Education, along with numerous programmatic accreditors. For at least 8 years, and more formally for the last 2 years, NDUS has authorized Walden's operation, through approvals and prior to the approvals through the exemption process. As of March, 91 North Dakota residents were enrolled in Walden's programs: 74 students were enrolled in nursing, counseling, psychology and social work programs. As of March, Walden had conferred 340 degrees to North Dakota residents. About half of the degrees (187 or 55%) were in nursing (108), counseling psychology and social work. Our graduates go on to work at places like: Sanford Health, Essentia Health, Trinity Health, Altru Health System, Minot State University and Williston State College.

Impact of Bill

We believe this bill, without the incorporation of the amendments, would have limited educational opportunities for North Dakota residents, and in turn, only hurt the already distressed healthcare workforce in North Dakota because of the following requirement:

- Participation in NC-SARA Requirement – The initial bill required participation in NC-SARA. The National Council for State Authorization Reciprocity Agreements (NC-SARA) is

a regional compact which streamlines distance education regulations for those who participate. Currently, those who are members of NC-SARA do not expend resources of the SBHE and NDUS as they are not required to go through the registration process.

Neither Chamberlain or Walden are able to participate in NC-SARA. Lack of participation is solely the result of Adtalem's composite score, not Chamberlain or Walden's composite score, and not based on these institutions' academic quality and rigor.

As amended, the bill defines specific criteria for an exemption from the NC-SARA requirement which I will briefly describe:

1. Namely, an exemption is granted if the online university meets two important metrics: (1) qualifies for the federal Title IV program for financial aid and (2) has an institutional-level (not parent company) score of greater than 1.5 as calculated by an independent auditor using the methodology prescribed by the United States department of education.
2. In order to be eligible for the Title IV program, you must comply with extensive requirements, ranging from consumer protections like disclosures and preventing misrepresentations, to monitoring the financial stability of the institution, to responsible awarding of financial aid, to controls on recruiter incentives, to having appropriate accreditation (programmatic and institutional). But the Department of Education permits an institution to provide an alternative method to demonstrate financial stability. If a composite score is less than 1.5, the department permits the institution to continue participation by submitting a Letter of Credit (based on a % of Title IV funds received by the institution or entire parent organization for the last fiscal year). In Adtalem's instance, our LOC is 10%.
3. In addition, the calculation of the institutional-level score as calculated by an independent auditor aligns with what NDUS requested from Walden (and Walden provided) in October regarding Walden's composite score calculation. Chamberlain's current institutional-level score is 2.2 and Walden's current institutional-level score is 2.6.
4. An exemption with clear criteria is easier and fairer to enforce, and it provides certainty to those looking to be in ND.
5. We support the addition of an administrative fee so that NDUS can outsource or otherwise resource the processing of exemptions.

Conclusion

We respectfully request you consider advancing this bill, as amended, to allow North Dakotans interested in growing their healthcare knowledge and experience to continue to be educated by our accredited institutions. Passage of this bill without amendments would turn off an important healthcare educational pipeline in a time when we need more healthcare education—not less.

Thank you for your consideration, and I would stand for any questions.

2025 SENATE STANDING COMMITTEE MINUTES

Education Committee Room JW216, State Capitol

HB 1064
3/31/2025

Relating to the national council for state authorization reciprocity agreements membership; and to postsecondary education institution standards; and to the authorization of a postsecondary educational institution not operating in this state.

9:00 a.m. Chairman Beard called the hearing to order.

Members Present: Chairman Beard; Vice-Chairman Lemm; Senators: Axtman, Boschee, Gerhardt, and Wobbema.

Discussion Topics:

- Amendment to section 7
- Accreditation issues
- Entirety of the institution
- Consistency

9:00 a.m. Chairman Beard opened committee discussion on potential amendment proposed previously on 3/12/2025 testimony #40901.

9:04 a.m. Senator Boschee moved the replacement language in page two of #40901.

9:12 a.m. Claire Gunwall, Director Academic Affairs NDUS, answered questions for the committee.

9:29 a.m. Motion dies for lack of a second.

9:30 a.m. Senator Axtman moved Do Pass.

9:30 a.m. Senator Wobbema seconded the motion.

| Senators | Vote |
|-------------------------|------|
| Senator Todd Beard | Y |
| Senator Randy D. Lemm | Y |
| Senator Michelle Axtman | Y |
| Senator Josh Boschee | N |
| Senator Justin Gerhardt | Y |
| Senator Mike Wobbema | Y |

Motion Passed 5-1-0

Senator Beard will carry the bill.

9:32 a.m. Chairman Beard closed the hearing.

Senate Education Committee

HB 1064

3/31/2025

Page 2

Susan Helbling, Committee Clerk

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1064 ([25.8070.02000](#))**

Education Committee (Sen. Beard, Chairman) recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT OR EXCUSED AND NOT VOTING). Engrossed HB 1064 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.