# OTHER DUTIES OF THE HIGHER EDUCATION COMMITTEE - BACKGROUND MEMORANDUM

In addition to the study responsibility assigned to the Higher Education Committee for the 2019-20 interim, the committee has been assigned the following responsibilities:

- Receive annual reports from the State Board of Higher Education pursuant to North Dakota Century Code Section 15-10-59 regarding North Dakota academic scholarships and career and technical education scholarships.
- Receive a biennial report from the University of North Dakota (UND) School of Medicine and Health Sciences Advisory Council pursuant to Section 15-52-04 regarding the strategic plan, programs, and facilities of the school.
- Receive reports from any tribally controlled community college receiving a grant under Chapter 15-70 detailing grant expenditures and recipient demographics.
- Receive a report from the State Board of Higher Education pursuant to Section 23 of House Bill No. 1003 (2019) regarding the transfer of appropriation authority among the operations, capital assets, and capital building fund line items within subdivisions 2 through 14 of Section 1 of House Bill 1003.
- Receive a report from the State Board of Higher Education pursuant to Section 31 of House Bill No. 1003 (2019) regarding the use of funding in each institutions' capital building fund line item, the source of matching funds, and each institutions' 5-year plan for capital construction spending.
- Receive a report from the Higher Education Funding Formula Review Committee pursuant to Legislative Management directive regarding the committee's review of the higher education funding formula.

## NORTH DAKOTA CAREER AND TECHNICAL EDUCATION SCHOLARSHIPS AND ACADEMIC SCHOLARSHIPS

The 2009 Legislative Assembly enacted legislation to create the career and technical education and academic scholarship programs. The legislation established eligibility criteria for the scholarship programs in Chapter 15.1-21, and the criteria were subsequently adjusted by the Legislative Assembly in 2011, 2013, 2015, and 2017. The current eligibility requirements provide a student must be a resident of the state and meet the following program requirements for one of the programs as follows:

| Career and Technical Education Scholarship | Academic Scholarship |
|---|---|
| Complete four units of English language arts | Complete four units of English language arts |
| Complete three units of mathematics, including one unit of Algebra II and two units of other mathematics | Complete one unit of Algebra II and one unit of mathematics for which Algebra II is a prerequisite |
| Complete three units of science | Complete three units of science |
| | Complete three units of social studies |
| Complete one unit of physical education or one-half unit of physical education and one-half unit of health | Complete one unit of physical education or one-half unit of physical education and one-half unit of health |
| Complete two units of a coordinated study plan as recommended by the Department of Career and Technical Education | Complete two units of the same foreign language, the same Native American language, American sign language, or career and technical education from a coordinated study plan approved by the Superintendent of Public Instruction |
| Complete one unit selected from foreign language, Native American language, American sign language, fine arts, or career and technical education | Complete one unit selected from foreign language, Native American language, American sign language, fine arts, or career and technical education |
| Complete five additional units, two of which must be in the area of career and technical education | Complete any five additional units |
| Obtain a cumulative grade point average of at least 3.0 on a 4.0 grading scale for all courses taken or only for courses taken that are required for the scholarship | Obtain a cumulative grade point average of at least 3.0 on a 4.0 grading scale for all courses taken or only for courses taken that are required for the scholarship |
| Obtain a grade of at least "C" in each unit or one-half unit required for the scholarship | Obtain a grade of at least "C" in each unit or one-half unit required for the scholarship |
| Receive a composite score of at least 24 on the ACT or a score of at least 5 on each of three WorkKeys assessments | Receive a composite score of at least 24 on the ACT |
| | Fulfill one unit required for the scholarship through an advanced placement course or fulfill one-half unit required for the scholarship through a dual-credit course |

In 2017 the Legislative Assembly adjusted the criteria to continue receiving a scholarship under the program to require recipients maintain progress toward degree completion.

Any student who meets the requirements for a career and technical education scholarship or an academic scholarship is eligible to receive a scholarship of $750 per semester, or $500 per quarter, for each period the student is enrolled full-time at a North Dakota higher education institution and maintains eligibility up to a maximum amount of $6,000. Scholarships may be provided to students for up to 6 years following the student's graduation from high school. A student may continue to receive a scholarship if the student is enrolled in a graduate program and has not received the lifetime maximum amount of scholarship awards.

The 2019-21 biennium legislative appropriation provides $12,016,749 from the general fund for the program, the same amount appropriated for the 2017-19 biennium. Section 15-10-59 (Appendix A) requires the State Board of Higher Education to provide an annual report to the Legislative Management regarding the number of North Dakota academic and career and technical education scholarships awarded and demographic information pertaining to the recipients.

## UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES ADVISORY COUNCIL

Section 15-52-04 (Appendix B) provides the Legislative Management receive a biennial report from the UND School of Medicine and Health Sciences Advisory Council. The report is to provide recommendations regarding the strategic plan, programs, and facilities of the school. Recommendations for implementing strategies through the school must address the health care needs of the people of the state and provide information regarding the state's health care workforce needs. Additionally, recommendations of the advisory council may address the areas of medical education and training, recruitment and retention of health care professionals, factors influencing the practice environment of health care professionals, access to health care, patient safety, quality of health care, and financial challenges in the delivery of health care.

The UND School of Medicine and Health Sciences Advisory Council consists of 16 members, including a majority party member and minority party member from both the Senate and House of Representatives. Other members to the advisory council are selected by the Department of Human Services, the State Board of Higher Education, the State Department of Health, the North Dakota Medical Association, the North Dakota Hospital Association, the Department of Veterans' Affairs hospital in Fargo, the North Dakota Center for Nursing, the UND Center for Rural Health, and the Dean of the School of Medicine and Health Sciences.

## GRANTS TO TRIBALLY CONTROLLED COMMUNITY COLLEGES

Chapter 15-70 (Appendix C) creates an assistance program for tribally controlled community colleges located in the state. Funding is to be distributed to the tribally controlled community colleges to defray the costs of education associated with the enrollment of nonbeneficiary students.

In order to qualify for a grant, a qualified institution must submit an application to the State Board of Higher Education that documents the enrollment status of each student for whom financial assistance is sought. If an application is approved, the State Board of Higher Education is to distribute an annual payment to the institution for each nonbeneficiary student enrolled at the institution. The amount of payment is to be equal to the per-student payment provided to institutions under the federal Tribally Controlled Colleges and Universities Assistance Act of 1978 or a prorated amount if funding is limited.

Each tribal college receiving a grant under Chapter 15-70 is to submit a report to the Legislative Management detailing the expenditures of the grant funds received by the institution. Additionally, each college is to submit a copy of the institution's latest audit report and documentation of the enrollment status of each student for whom financial assistance is requested. Any institution that fails to meet the reporting requirements is ineligible to receive future grants until the required information is submitted.

The table below details legislative appropriations for grants to tribally controlled community colleges.

| | General Fund | Student Loan Trust Fund | Total |
|---|---|---|---|
| 2011-13 biennium | $1,000,000 | | $1,000,000 |
| 2013-15 biennium | $1,000,000 | | $1,000,000 |
| 2015-17 biennium | $467,250 | $500,000 | $967,250 |
| 2017-19 biennium | $100,000 | $500,000 | $600,000 |
| 2019-21 biennium | $1,000,000 | | $1,000,000 |

## TRANSFER OF APPROPRIATION AUTHORITY

The Legislative Assembly approved Section 23 of House Bill No. 1003 (2019) to allow for the transfer of appropriation authority from the operations line item to the capital assets and capital building fund line items within subdivisions 2 through 14 of Section 1 of House Bill 1003 for the biennium beginning July 1, 2019, and ending June 30, 2021. Section 23 of House Bill No. 1003, as amended by Section 25 of Senate Bill No. 2015 (2019), also allows for transfer of appropriation authority from the capital assets line item to the operations line item within subdivisions 2 through 14 of Section 1 of House Bill No. 1003 after an institution has matched and used 75 percent of the funding in the capital assets line item appropriated from the general fund for institution extraordinary repairs. The State Board of Higher Education is required to report to the Legislative Management regarding any line item transfers made pursuant to the section.

## CAPITAL BUILDING FUND PROGRAM

The Legislative Assembly approved Section 31 of House Bill No. 1003 (2019) to provide for the State Board of Higher Education to report to the Legislative Management regarding the use of funding in each institutions' capital building fund line item, the source of matching funds, and each institutions' 5-year plan for capital construction spending. The Legislative Assembly established a capital building fund program for the 2019-21 biennium in Sections 29 and 30 of House Bill No. 1003, including one-time appropriations of $17 million from Bank of North Dakota profits and $2 million from the general fund which are to be matched by other institutional funds as follows:

| | Tier II | | Tier III | |
|---|---|---|---|---|
| | Bank of North Dakota Profits | Institution Match ($1 to $1) | General Fund and Bank of North Dakota Profits | Institution Match ($2 to $1) |
| Bismarck State College | $425,693 | $425,693 | $500,000 | $1,000,000 |
| Dakota College at Bottineau | 106,064 | 106,064 | 500,000 | 1,000,000 |
| Lake Region State College | 177,375 | 177,375 | 500,000 | 1,000,000 |
| North Dakota State College of Science | 500,695 | 500,695 | 500,000 | 1,000,000 |
| Williston State College | 137,947 | 137,947 | 500,000 | 1,000,000 |
| Dickinson State University | 268,862 | 268,862 | 500,000 | 1,000,000 |
| Mayville State University | 240,029 | 240,029 | 500,000 | 1,000,000 |
| Minot State University | 572,801 | 572,801 | 500,000 | 1,000,000 |
| Valley City State University | 309,137 | 309,137 | 500,000 | 1,000,000 |
| North Dakota State University | 2,899,596 | 2,899,596 | 2,250,000 | 4,500,000 |
| University of North Dakota | 4,361,801 | 4,361,801 | 2,250,000 | 4,500,000 |
| Total | $10,000,000 | $10,000,000 | $9,000,000 | $18,000,000 |

The funding in Tier II was appropriated directly to the institutions and the funding in Tier III was appropriated to the North Dakota University System office with a directive to allocate the money as identified in the schedule above as matching funds are secured. An additional $11.1 million from the general fund, which must be matched by each institution with $2 from operations or other sources for each $1 of extraordinary repairs funding used for a project, was appropriated in the capital assets line item of each institution for extraordinary repairs. This amount was considered Tier I of the capital building fund program.

## HIGHER EDUCATION FUNDING FORMULA

Pursuant to House Bill No. 1029 (2019), the 2019-20 interim Higher Education Funding Formula Review Committee shall study the higher education funding formula. The Higher Education Funding Formula Review Committee is to report to the interim Higher Education Committee regarding the study.

The Legislative Assembly, through Senate Bill No. 2200 (2013), adopted a new higher education funding method beginning with the 2013-15 biennium based on an adjusted student credit-hour calculation. The calculation involves multiplying a base amount per student credit-hour by an adjusted student credit-hour calculation for each institution. The resulting equalized base budget is then adjusted for inflation to determine total funding for an institution.

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