



North Dakota Legislative Council

Prepared for the Higher Education
Institutions Committee
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DUTIES OF THE HIGHER EDUCATION INSTITUTIONS COMMITTEE - BACKGROUND MEMORANDUM

The Higher Education Institutions Committee has been assigned the following responsibilities for the 2025-26 interim:

- Receive an annual comprehensive report from the State Board of Higher Education (SBHE) pursuant to North Dakota Century Code Section 6-09-53 regarding grants awarded from the economic diversification research fund.
- Receive a report from SBHE by September 1 of each even-numbered year pursuant to Section 15-10-38.1 regarding the skilled workforce student loan repayment program.
- Receive a report from SBHE by September 1 of each even-numbered year pursuant to Section 15-10-38.2 regarding the skilled workforce scholarship program.
- Receive annual reports from SBHE pursuant to Section 15-10-59 regarding North Dakota scholarships, academic scholarships, and career and technical education (CTE) scholarships.
- Receive a report from the State Commissioner of Higher Education pursuant to Section 15-10-66 on SBHE policies regarding communications between board members and board member access to current and historic board information.
- Receive an annual report from the State Commissioner of Higher Education pursuant to Section 15-10-71 regarding trends in higher education.
- Receive a biennial program report from SBHE by September 1 of each even-numbered year pursuant to Section 15-10-75 regarding awards under the workforce education innovation program.
- Receive a biennial report from the University of North Dakota (UND) School of Medicine and Health Sciences (SMHS) 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 an annual report from the North Dakota State University (NDSU) Research and Technology Park regarding all research activities, product development, and accomplishments pursuant to Section 54-17-43.
- Receive an annual report from UND pursuant to Section 44 of Senate Bill No. 2003 (2025) regarding strategies under consideration and implemented to increase resident medical student enrollment in SMHS and the physician assistant program.
- Receive a report from the Association of Colleges for Teacher Education pursuant to Section 47 of Senate Bill No. 2003 regarding a study of the Praxis Core testing performance of student teachers who used grades and exams to demonstrate reading, writing, and mathematics competencies.
- Receive reports from SBHE pursuant to Section 48 of Senate Bill No. 2003, regarding the costs and benefits of a system of higher education led by a chancellor compared to a commissioner and the hiring process for the Commissioner of Higher Education position.

ECONOMIC DIVERSIFICATION RESEARCH FUND

The 2023 Legislative Assembly approved Section 16 of House Bill No. 1003 (2023) to provide for an economic diversification research fund. Section 10 of the bill provided for a transfer of \$5.5 million from the strategic investment and improvements fund to the economic diversification research fund. The Bank of North Dakota may spend from the fund to provide grants to institutions under the control of SBHE for economic diversification research. The sum of \$5 million was awarded to NDSU and UND, with equal amounts awarded to each institution, and the remaining funding was awarded to the other institutions under the control of SBHE, as determined by the board. The 2025 Legislative Assembly did not provide any additional funding for the economic diversification research fund.

Section 6-09-53 provides for SBHE to provide an annual comprehensive report regarding grants awarded from the economic diversification research fund. The report must include information on how the research efforts by each institution align with the state's priorities, how the institutions collaborate when appropriate, and how the outcomes of the research meet established performance expectations. The SBHE is required to develop reporting requirements for the institutions under the control of the board, including criteria for assessing performance outcomes related to grants awarded from the economic diversification research fund.

SKILLED WORKFORCE STUDENT LOAN REPAYMENT AND SCHOLARSHIP PROGRAMS

The 2019 Legislative Assembly enacted legislation to create the skilled workforce student loan repayment and scholarship programs. The programs were created to assist businesses in attracting and retaining talent in high-demand and emerging occupations. Known collectively as ND Career Builders, the workforce development programs have two components--scholarships for students enrolled in qualifying programs and student loan repayment for employees in the state who graduated from qualifying programs.

Section 15-10-38.1 for the skilled workforce student loan repayment program and requires SBHE to provide a biennial program report to the Legislative Management by September 1 of each even-numbered year. Section 15-10-38.2 provides for the skilled workforce scholarship program and requires SBHE to provide a biennial program report to the Legislative Management by September 1 of each even-numbered year.

NORTH DAKOTA CAREER AND TECHNICAL EDUCATION SCHOLARSHIPS AND ACADEMIC SCHOLARSHIPS

The 2009 Legislative Assembly enacted legislation to create the CTE 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, 2017, 2021, and 2023. 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 4 units of English language arts	Complete 4 units of English language arts
Complete 3 units of mathematics, including 1 unit of Algebra II and 2 units of other mathematics	Complete 1 unit of Algebra II, 1 unit of mathematics for which Algebra II is a prerequisite, and 1 unit of any other mathematics
Complete 3 units of science	Complete 3 units of science
Complete 3 units of social studies	Complete 3 units of social studies
Complete 1 unit of physical education or .5 unit of physical education and .5 unit of health	Complete 1 unit of physical education or .5 unit of physical education and .5 unit of health
Complete 2 units of a coordinated study plan as recommended by the Department of Career and Technical Education	Complete 2 units of the same foreign language, the same Native American language, American sign language, or CTE from a coordinated study plan approved by the Superintendent of Public Instruction

Career and Technical Education Scholarship	Academic Scholarship
Complete 1 unit selected from foreign language, Native American language, American sign language, fine arts, or CTE	Complete 1 unit selected from foreign language, Native American language, American sign language, fine arts, or CTE
Complete 5 additional units, 2 of which must be in the area of CTE	Complete any 5 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 .5 unit required for the scholarship	Obtain a grade of at least "C" in each unit or .5 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 1 unit required for the scholarship through an advanced placement course or fulfill .5 unit required for the scholarship through a dual-credit course

Any student who meets the requirements for a CTE or 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 2025-27 biennium legislative appropriation provides \$17,216,749 from the general fund for the program, the same as the amount appropriated for the 2023-25 biennium. Section 15-10-59 requires SBHE to provide an annual report to the Legislative Management regarding the number of North Dakota scholarships, academic scholarships, and CTE scholarships awarded and demographic information pertaining to the recipients.

BOARD MEMBER ACCESS TO HISTORIC INFORMATION

The Legislative Assembly approved Senate Bill No. 2343 (2023) to require SBHE to establish a policy ensuring transparent communication between members of the board on all topics relating to the specific powers and duties of the board. Section 3 of the bill provides the North Dakota University System and SBHE may not deny a member of the governing body access to a record that is closed or confidential, as defined in Chapter 44-04, including a meeting record, whether written or recorded, unless otherwise prohibited by law. Section 15-10-66 requires the State Commissioner of Higher Education to report to the Legislative Management on SBHE policies regarding communications between board members and board member access to current and historic board information. A representative of SBHE reported to the 2023-24 interim Higher Education Committee that SBHE amended its policy 100.6, regarding the authority and responsibilities of the board, chancellor, and institution presidents to ensure board member access to current and historic board information and communications.

HIGHER EDUCATION TRENDS

Section 15-10-71 requires the State Commissioner of Higher Education to provide an annual report to the Legislative Management regarding trends in higher education, including state and regional student enrollment, University System institution reserves, state and regional tuition rates, state and regional student financial assistance, and the University System's response to the trends and changes, including new or expanded educational programs, closed programs, and future budget requests.

WORKFORCE EDUCATION INNOVATION PROGRAM

The 2023 Legislative Assembly approved House Bill No. 1241 (2023) to establish the workforce education innovation program to create or enhance educational programs that address the workforce needs of North Dakota business and industry.

Section 15-10-75 provides for the Legislative Management to receive a biennial program report from SBHE by September 1 of each even-numbered year regarding awards under the workforce education innovation program. The report must include information per educational institution regarding the number, amount, and type of awards; the name of each educational program created, enhanced, or promoted; the amount and percentage of funds used for leadership and coordination costs; and detailed expense reports, including the type of equipment and technology purchased and the number of instructors hired or trained.

House Bill No. 1241 (2023), as introduced, included an appropriation of \$24 million from the general fund for workforce education innovation grants; however, this appropriation was removed by the House prior to final passage of the bill. House Bill No. 1003 (2023), as approved by the House and Senate, included an appropriation of \$10 million from the general fund for workforce education grants; however, this funding was removed by the Conference Committee prior to final passage of the bill. Therefore, no funding was appropriated for this program for the 2023-25 biennium.

The 2025 Legislative Assembly, in Senate Bill No. 2003 (2025), appropriated \$10 million from the strategic investment and improvements fund for the workforce education innovation program for the 2025-27 biennium. Section 21 of the bill restricted the funding to no more than \$1.5 million per institution, excluding UND and NDSU, which are not eligible for funding from the program.

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

Section 15-52-04 provides the Legislative Management receive a biennial report from the UND SMHS 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 SMHS 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 of the advisory council are selected by the Department of Health and Human Services, SBHE, 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 SMHS.

GRANTS TO TRIBALLY CONTROLLED COMMUNITY COLLEGES

Chapter 15-70 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 SBHE that documents the enrollment status of each student for whom financial assistance is sought. If an application is approved, SBHE 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
2021-23 biennium	\$1,000,000		\$1,000,000
2023-25 biennium	\$1,400,000		\$1,400,000
2025-27 biennium	\$1,600,000		\$1,600,000

NORTH DAKOTA STATE UNIVERSITY RESEARCH AND TECHNOLOGY PARK

Section 54-17-43(5) provides for the NDSU Research and Technology Park to annually report all research activities, product development, and accomplishments to the Industrial Commission and the Legislative Management.

Section 54-17-43 creates an NDSU research technology park grant program and provides for the Industrial Commission to distribute grant funding to the Research and Technology Park to conduct exploratory, transformational, and innovative research and product development activities that advance intelligent autonomous mobile equipment opportunities and benefit the state's economy and environment. The Research and Technology Park may:

- Select research topics and projects;
- Enter contracts or agreements with other institutions of higher education to support the selected research topics and projects;
- Enter contracts or agreements with federal, private, and nonprofit organizations to carry out the selected research topics and projects; and
- Accept donations, grants, contributions, and gifts from any source to finance the selected research topics and projects.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES STUDENT RESIDENCY

Section 44 of Senate Bill No. 2003 (2025) directs the UND SMHS to develop and implement student recruitment and acceptance strategies to increase the number of resident medical students enrolled in the school of medicine and health sciences and to increase the number of resident students enrolled in the physician assistant program, with a goal for 85 percent of medical students enrolled at SMHS and the physician assistant program to be residents of the state by the fall 2030 semester. The University of North Dakota is required to provide an annual report to the Legislative Management regarding strategies under consideration and implemented to increase resident medical student enrollment in SMHS and the physician assistant program.

PRAXIS CORE TESTING PERFORMANCE

Section 47 of Senate Bill No. 2003 directs the Legislative Management to request a report during the 2025-26 interim from the Association of Colleges for Teacher Education regarding a study of the Praxis Core testing performance of student teachers who used grades and exams to demonstrate reading, writing, and mathematics competencies.

COMMISSIONER OF HIGHER EDUCATION

Subsection 1 of Section 48 of Senate Bill No. 2003 directs SBHE to study the costs and benefits of a system of higher education led by a chancellor compared to a commissioner during the 2025-26 interim and to report its findings and recommendations, including any legislation required to implement the recommendations, to the Legislative Management by May 31, 2026.

Subsection 2 of Section 48 of Senate Bill No. 2003 provides legislative intent that SBHE appoint a State Commissioner of Higher Education in compliance with North Dakota Century Code Chapter 15-10 and Subsection 7 of Section 6 of Article VIII of the Constitution of North Dakota and recognize the importance of hiring an individual for the position in an efficient and timely manner. Subsection 3 of Section 48 of the bill directs SBHE to provide a report to the Legislative Management by October 15, 2025, regarding the hiring process for the State Commissioner of Higher Education position, including detail regarding the cause or reasoning behind any delays in the hiring process.