Prepared by the North Dakota Legislative Council staff for the Higher Education Committee
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HISTORY OF HIGHER EDUCATION ROUNDTABLE RECOMMENDATIONS, HIGHER EDUCATION COMMITTEE-RECOMMENDED LEGISLATION, AND UNIVERSITY SYSTEM ACCOUNTABILITY MEASURES

HISTORY OF RECOMMENDATIONS FROM THE HIGHER EDUCATION ROUNDTABLE

1999-2000 Interim

The Higher Education Roundtable first met during the 1999-2000 interim as a result of House Bill No. 1003 (1999). The bill directed a study to solicit input from the Governor, State Board of Higher Education, executive branch, and representatives of business and industry. The input was to be used to address:

- The expectations of the University System in meeting the state's needs in the 21st century;
- The funding methodology needed to meet the expectations and needs; and
- The appropriate accountability and report system for the University System.

The Higher Education Roundtable used six task forces to develop recommendations in key areas (also known as cornerstones)--Economic Development Connection, Education Excellence, Flexible and Responsive System, Accessible System, Funding and Rewards, and Sustaining the Vision. Each task force was chaired by a legislative committee member and recommendations were developed by group consensus.

The recommendations developed by each task force are attached as Appendix A.

The committee recommended six bills for consideration by the 2001 Legislative Assembly:

1. Senate Bill No. 2037 (2001), which was amended into Senate Bill No. 2003 (2001), provided a continuing appropriation for all higher education institutions' special revenue funds, including tuition income and local funds, and allowed institutions to continue at the end of the biennium unspent general fund appropriations. The legislation was effective through June 30, 2003.
2. Senate Bill No. 2038 (2001), which was amended into Senate Bill No. 2003 (2001), required the budget request for the University System to include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding. The legislation was effective through June 30, 2003.
3. Senate Bill No. 2039 (2001), as passed, allowed the State Board of Higher Education to authorize campus improvements and building maintenance projects that are financed by donations, gifts, grants, and bequests if the cost of the improvement or maintenance is not more than $385,000 (North Dakota Century Code (NDCC) Section 15-10-12.1).
4. Senate Bill No. 2040 (2001), which failed to pass, would have allowed the University System to provide bonuses, cash incentive awards, and temporary salary adjustments without reporting the activity to the Office of Management and Budget as a fiscal irregularity.
5. Senate Bill No. 2041 (2001), as passed, included the committee's recommendation to recognize the institutions under the control of the State Board of Higher Education as the North Dakota University System and to require the University System to develop a strategic plan which defines University System goals and objectives and to provide an annual performance and accountability report regarding performance and progress toward the goals and objectives (NDCC Section 15-10-14.2).
6. Senate Bill No. 2042 (2001), as passed, included the committee's recommendation to amend and repeal statutes relating to the powers of the State Board of Higher Education and the duties and responsibilities of institutions under the control of the State Board of Higher Education which were no longer appropriate.

The committee also recommended financial and nonfinancial accountability measurements to be reported annually at the University System level.

2001-02 Interim

The 2001-02 interim Higher Education Committee studied the State Board of Higher Education's implementation of the performance and accountability measures as directed by Senate Bill No. 2003 (2001). The committee, through use of the Higher Education Roundtable, reviewed plans for and accomplishments relating to the recommendations of the 1999-2000 roundtable, reviewed the state's New Economy Initiative and its link to cornerstones, and developed high-priority action items concerning higher education in North Dakota. The committee also reviewed the University System long-term financing plan, resource allocation model, and first annual performance and accountability report. A copy of the roundtable's high-priority action items is attached as Appendix B.

The committee recommended four bills for consideration by the 2003 Legislative Assembly:

1. House Bill No. 1039 (2003), which was amended into House Bill No. 1003 (2003), provided for the extension of the continuing appropriation authority for higher education institutions' special revenue funding, including tuition. The legislation was extended through June 30, 2005.
2. House Bill No. 1040 (2003), which was amended into House Bill No. 1003 (2003), provided for the extension of the University System's authority to continue at the end of the biennium unspent general fund appropriations. The legislation was extended through June 30, 2005.
3. House Bill No. 1041 (2003), which was amended into House Bill No. 1003 (2003), continued the requirement that the budget request for the University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding. The legislation was extended through June 30, 2005.
4. House Bill No. 1042 (2003), which failed to pass, would have amended NDCC Section 15-10-14.2 to require the University System performance and accountability report to include an executive summary and specific accountability measures regarding education excellence, economic development, student access, student affordability, and financial operations. The 2003 Legislative Assembly amended House Bill No. 1003 to provide legislative intent that the University System performance and accountability report include an executive summary and specific information regarding education excellence, economic development, student access, student affordability, and financial operations.

2003-04 Interim

During the 2003-04 interim, House Bill No. 1003 (2003) directed the Higher Education Committee to study higher education to further refine the expectations of the University System in meeting the state's needs in the 21st century, the funding methodology needed to meet those expectations and needs, and the accountability system and reporting methodology for the University System. The roundtable was convened to review the state of higher education in North Dakota, develop meaningful recommendations for enhancing the economy, review the impact of the roundtable on higher education, and develop recommendations for action by the Legislative Assembly, University System, executive branch, and private sector. In addition, the roundtable reviewed the progress made, current status, and further actions needed to enhance the economic and social vitality of the state and make the state more attractive for new business and new business expansion.

A copy of the roundtable recommendations is attached as Appendix C.

The committee recommended four bills for consideration by the 2005 Legislative Assembly:

1. Senate Bill No. 2034 (2005), as passed, provides for the continuation of the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2007.
2. Senate Bill No. 2035 (2005), as passed, provides for the continuation of the requirement that the budget request for the University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding through June 30, 2007.
3. Senate Bill No. 2036 (2005), as passed, provides for the continuation of the University System's authority to continue at the end of the biennium unspent general fund appropriations through June 30, 2007.
4. Senate Concurrent Resolution No. 4002 (2005), which failed to pass, directed the Legislative Council to study during the 2005-06 interim the State Board of Higher Education performance and accountability measures included in the report required by NDCC Section 15-10-14.2.

2005-06 Interim

Senate Bill No. 2003 (2005) directed the 2005-06 interim Higher Education Committee to study higher education funding and accountability. The roundtable was used to receive information regarding Operation Intern, "soft skills" areas of education and training, and centers of excellence. The roundtable was organized into four discussion groups to consider any three of the following points:

- How the accountability measures of the assessment systems should be refined.
- Strategies that can be used to attract and retain the best and brightest graduates.
- The connection between the performance of the University System and the rewards and incentives provided to the University System.
- How access to higher education should be increased.

- How the state should not only sustain the momentum of the Higher Education Roundtable but take it to an even higher level of performance.
- How the centers of excellence initiative should be improved.

A copy of the Higher Education Roundtable recommendations for the discussion points is attached as Appendix D.

The committee recommended three bills for consideration by the 2007 Legislative Assembly:

1. House Bill No. 1030 (2007), as passed, provides for the continuation of the continuing appropriation authority for higher education institutions' special revenue funds, including tuition, through June 30, 2009. A copy of the enrolled bill is attached as Appendix E.
2. House Bill No. 1031 (2007), as passed, provides for the continuation of the requirement that the budget request for the University System include budget estimates for block grants for a base funding component and for an initiative funding component and a budget estimate for an asset funding component and the requirement that the appropriation for the University System include block grants for a base funding appropriation and for an initiative funding appropriation and an appropriation for asset funding through June 30, 2009. A copy of the enrolled bill is attached as Appendix F.
3. House Bill No. 1032 (2007), as passed, provides for the continuation of the University System's authority to continue at the end of the biennium unspent general fund appropriations through June 30, 2009. A copy of the enrolled bill is attached as Appendix G.

Meetings of the Higher Education Roundtable

The table below provides information regarding past meeting dates of the Higher Education Roundtable:

Interim	Meeting Dates
1999-2000	September 28-29, 1999 (Jamestown) October 29, 1999 (Carrington) April 19, 2000 (Rugby)
2001-02	July 18, 2001 (Mandan) June 12, 2002 (Bismarck)
2003-04	October 21, 2003 (Bismarck) June 15, 2004 (Bismarck)
2005-06	February 15, 2006 (Bismarck)

ACCOUNTABILITY REPORT

North Dakota Century Code Section 15-10-14.2 (Appendix H) directs the State Board of Higher Education to adopt a strategic planning process and develop a strategic plan to define and prioritize University System goals and objectives. The section further states that the board is to provide an annual performance and accountability report regarding performance and progress toward the goals outlined in the University System's strategic plan and accountability measures.

The 2001-02 interim Higher Education Committee recommended House Bill No. 1042 (2003) to the 2003 Legislative Assembly that would have enacted in statute reporting requirements for the higher education performance and accountability report. The bill failed to pass, but House Bill No. 1003 (2003) was amended to provide legislative intent regarding the requirements for the report. Legislative intent was also provided for the performance and accountability report by the 2005 and 2007 Legislative Assemblies.

Section 17 of House Bill No. 1003 (2007) provides the current legislative intent for the reporting requirements of the higher education performance and accountability report. Items to be addressed in each high-priority area include:

Education Excellence	• Student performance on nationally recognized examinations in major fields compared to national averages
	• First-time licensure pass rates compared to other states
	• Alumni-reported and student-reported satisfaction with preparation in selected major, acquisition of specific skills, and technology knowledge and abilities
	• Employer-reported satisfaction with preparation of recently hired graduates
	• Biennial report on employee satisfaction relating to the University System and local institutions
	• Student graduation and retention rates
Economic Development	• Enrollment in entrepreneurship courses and the number of graduates of entrepreneurship programs
	• Percentage of University System graduates obtaining employment appropriate to their education in the state
	• Number of businesses and employees in the region receiving training
Student Access	• Number and proportion of enrollment in courses offered by nontraditional methods
Student Affordability	• Tuition and fees on a per student basis compared to the regional average
	• Tuition and fees as a percentage of median North Dakota household income
	• Cost per student in terms of general fund appropriations and total University System funding
	• Per capita general fund appropriations for higher education
	• State general fund appropriation levels for University System institutions compared to peer institutions general fund appropriation levels

Financial Operations	• Cost per student and percentage distribution by major function • Ratio measuring the funding derived from operation and contributed income compared to total University System funding • Ratio measuring the amount of expendable net assets as compared to the amount of long-term debt • Research expenditures in proportion to the amount of revenue generated by research activity and funding received for research activity

OUTCOMES FROM THE JOINT MEETING WITH THE WORKFORCE AND EDUCATION COMMITTEES

At the joint meeting with the interim Workforce and Education Committees on June 24, 2008, the committee chairmen requested the meeting recommendations be organized by committee study areas. Listed below are topics related to higher education policy areas:

1. Rapid response and streamlined process to respond to workforce needs.
2. Funding formula - Align with growth sectors, equity relating to technical programs, and equity relating to nontraditional students.
3. Data collection - Postgraduation location and job and completion/retention rates.
4. Streamline high school education to higher education.
5. Out-of-state recruitment of students.
6. Internships, apprenticeships, and clinical opportunities (at the institution level).
7. Access (rural).
8. Strengthen technical education.
9. Tuition formula - State and institution obligation, in-state and out-of-state tuition rates, tuition relationship to courses of study, and affordability.

ATTACH:8