

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

HIGHER EDUCATION COMMITTEE

Monday and Tuesday, August 10-11, 2015
Ballroom, Student Center, Dickinson State University
Dickinson, North Dakota

Representative Mark Sanford, Chairman, called the meeting to order at 9:00 a.m. (MDT) on Monday, August 10, 2015.

Members present: Representatives Mark Sanford, Lois Delmore, Kathy Hawken, Richard G. Holman, Bob Martinson, Lisa Meier, Kylie Oversen, Mike Schatz, Cynthia Schreiber Beck, Roscoe Streyle; Senators Tim Flakoll, Ray Holmberg, Karen K. Krebsbach, Carolyn C. Nelson, David O'Connell, Larry J. Robinson

Members absent: Representatives Thomas Beadle, Tracy Boe, Mark A. Dosch, Dennis Johnson, Matthew M. Klein, David Monson

Others present: Alex Cronquist, Legislative Council, Bismarck
Vicky Steiner, State Representative, Dickinson
Senator Rich Wardner, member of the Legislative Management, was also in attendance.
See [Appendix A](#) for additional persons present.

The Legislative Council staff reviewed the [Supplementary Rules of Operation and Procedure of the Legislative Management](#).

Chairman Sanford welcomed committee members and said the committee is tentatively scheduled to hold eight meetings during the interim. He said the next committee meeting is scheduled for Monday and Tuesday, October 5-6, 2015, to be held in Williston. He said the committee is also tentatively scheduled to meet on Tuesday, November 17, 2015.

Representative Hawken said it would be helpful to allow committee members to participate in meetings remotely through teleconference or another medium.

Dr. D.C. Coston, President, Dickinson State University, welcomed the committee and provided comments regarding the university.

HIGHER EDUCATION STUDY
State and National Trends in Higher Education

Dr. David A. Longanecker, President, Western Interstate Commission for Higher Education, Boulder, Colorado, presented an update ([Appendix B](#)) on state and national trends in higher education. He reviewed the following higher education statistics:

- A total of 48.1 percent of North Dakota adults between 25 and 34 years of age had an associate's degree or higher in 2012. The national average was 41.1 percent.
- North Dakota higher education appropriations per capita in 2014 were \$476 compared to the national average of \$259. North Dakota ranked third in the nation in state higher education appropriations per capita.
- North Dakota ranked 12th in the nation in total educational revenues per full-time equivalent student in 2014. Total educational revenues include state appropriations and net tuition revenue.
- Fifty-seven percent of North Dakota students who enrolled in a four-year degree program in 2008 completed the program within six years. The national average was 61 percent.
- A total of 2.03 credentials and degrees were awarded per \$100,000 of education and related expenditures at public higher education institutions in North Dakota in 2014. This was higher than the national average of 1.84 credentials and degrees awarded per \$100,000 of expenditures.

Dr. Longanecker said North Dakota higher education institutions are considered productive when compared to other states. He said the use of predictive analytics and new technology can be used to further increase productivity. He said improved student preparation in elementary and secondary schools can be used to increase postsecondary student completion rates. He suggested the state review options to improve educational opportunities for adults with some postsecondary education but who have not completed a program.

Dr. Longanecker said clear mission differentiation for higher education institutions reduces unnecessary duplication and increases productivity. He said lacking clear institution missions can cause ambiguous goals and accountability metrics.

In response to a question from Chairman Sanford, Dr. Longanecker said the state of Massachusetts has a strong higher education system that benefits from well-prepared high school graduates.

In response to a question from Representative Streyle, Dr. Longanecker said North Dakota provides more state appropriations per full-time equivalent student than Massachusetts.

In response to a question from Chairman Sanford, Dr. Longanecker said the state's higher education delivery system must be developed in conjunction with state economic development activities. He said the state needs to have jobs available for college graduates.

In response to a question from Senator Flakoll, Dr. Longanecker said there are several barriers that may prevent an adult from attempting to complete a college degree. He said higher education institutions can reduce barriers by offering services such as daycare and by ensuring that previously completed credits can be applied to a degree program.

In response to a question from Chairman Sanford, Dr. Longanecker said some states provide college credit to adults for prior learning experiences. He said North Dakota has not been proactive in providing credit for prior learning experiences.

In response to a question from Chairman Sanford, Dr. Longanecker said better prepared high school students result in higher postsecondary program completion rates. He said some high school students may not take courses in certain academic disciplines during their senior year of high school which can cause remediation issues in college. He said high school teachers need to have access to techniques and tools to monitor student progress throughout the school year rather than waiting for end of year tests to determine proficiency levels.

In response to a question from Representative Delmore, Dr. Longanecker said quality assurance standards have been difficult to maintain due to frequently changing course delivery methods. He said accreditation is used to ensure program quality.

In response to a question from Chairman Sanford, Dr. Longanecker said some institutions will have similar missions and offer similar basic courses. However, he said the state needs to focus on reducing any unnecessary duplication among institutions.

In response to a question from Representative Streyle, Dr. Longanecker said institutions can improve efficiency by adjusting professor teaching loads. He said a state can use performance funding as a reward for increased teaching loads. He said when reviewing teaching loads at research institutions, there needs to be differentiation between the teaching and researching roles of faculty members.

In response to a question from Chairman Sanford, Dr. Longanecker said accepting a position on a higher education governing board requires a significant time commitment. He said it is important for governing boards to have a strong leadership staff to ensure board policies and directives are properly implemented.

In response to a question from Representative Streyle, Dr. Longanecker said most adults will need some postsecondary education to obtain a high-value job. He said postsecondary diplomas and certificates can substantially increase the ability to obtain a high-value job.

In response to a question from Representative Holman, Dr. Longanecker said the transitions between educational levels should be seamless but it is important to keep distinctions between educational levels. He said completing one level of education can be rewarding to an individual and may encourage the individual to continue their education at the next level.

In response to a question from Senator Flakoll, Dr. Longanecker said some bachelor's degree programs award an associate's degree as part of the program. However, he said there is concern that students may drop out of a bachelor's degree program after receiving an associate's degree.

The committee recessed for lunch at 12:00 noon (MDT) and reconvened at 1:00 p.m. (MDT).

Update on North Dakota University System Issues

Mr. Mike Ness, Member, State Board of Higher Education, provided comments to the committee. He said improved collaboration is needed between elementary, secondary, and higher education to prepare students to succeed in college. He said career counselors can be used to direct students into programs where they will succeed and can help meet the workforce demands of the state.

Representative Hawken said the Legislative Assembly previously passed legislation to encourage the use of career counselors in schools. She said career counselors need staff development focused on current workforce needs of the state.

Dr. Mark R. Hagerott, Chancellor, North Dakota University System, and Ms. Linda Donlin, Vice Chancellor for Strategic Engagement, North Dakota University System, presented information ([Appendix C](#)) regarding the strategic plan of the North Dakota University System. Dr. Hagerott said the University System consists of 11 campuses that serve over 47,000 students. He said the University System is successful in meeting the educational needs of the state.

Ms. Donlin said the University System strategic plan includes the following goals:

1. Deliver degrees that are the best value in the nation;
2. Provide programs people want, where and when they need them;
3. Equip students for success; and
4. Maximize strengths of the unified system.

Ms. Donlin said the University System created a strategic plan dashboard to improve transparency and accountability. She said the dashboard provides information and trends regarding key metrics.

Dr. Hagerott said the University System is working to address the needs of the state by gathering information from key stakeholders. He said University System representatives have participated in sessions to receive feedback from government and community leaders, businesses, and campus communities.

Representative Martinson said the new strategic plan does not appear to include any new or innovative ideas. He expressed concern regarding the current state of the University System and questioned what changes are going to be made to improve the system.

Dr. Hagerott said education is transformational and it is important for the state to have a quality education system. He said the state needs to remain competitive with educational systems in other states and countries.

Mr. Rick Tonder, Director of Facilities Planning, North Dakota University System, presented an update ([Appendix D](#)) on campus master planning and space utilization studies. He said the University System utilized the services of a higher education planning consultant to review institution programs, facilities, master plans, and space utilization. He said one finding from the consultant was the lack of complete and consistent data regarding space utilization for classrooms.

In response to a question from Representative Streyle, Mr. Tonder said space utilization at most campuses is below average. He said 30 hours of classroom use each week is considered average. He said some classrooms may be underutilized due to the condition of the room or lack of amenities.

In response to a question from Senator Flakoll, Mr. Tonder said data was not available to determine occupancy rates of classrooms. He said the target occupancy rate of a classroom is 70 percent or more of the total room capacity.

In response to a question from Representative Streyle, Mr. Tonder said an institution's registrar is generally responsible for scheduling classroom use. He said the University System is planning to implement software to assist institutions in scheduling classrooms.

In response to a question from Senator Nelson, Mr. Tonder said the University System does not currently have details regarding room amenities such as projectors. He said there are also scheduling issues that need to be considered when an institution utilizes classroom facilities located away from the main campus.

Chairman Sanford said the committee will receive future updates regarding campus master plans and space utilization studies.

OVERVIEW OF COMMITTEE STUDIES AND ASSIGNED DUTIES

At the request of Chairman Sanford, the Legislative Council staff reviewed memorandums entitled [Higher Education Study - Background Memorandum](#) and [Other Duties of the Higher Education Committee - Background Memorandum](#). The Legislative Council staff said the memorandums detail the studies and duties assigned to the committee and provide background information regarding each of the studies and duties.

Chairman Sanford called for committee discussion on the assigned studies and duties of the committee. He distributed a memorandum entitled [Potential Study Plans for the Higher Education Committee](#) for the committee's consideration.

Study of Higher Education Administration Costs

Senator Flakoll suggested the study include a review of the number of administrator positions at institutions that are a result of federal or state law.

Representative Delmore suggested the study include comparisons to regional and national levels of administrative costs at institutions.

Representative Streyle suggested the study include a review of vacant administrator positions at institutions and if funding designated for the vacant positions has been reallocated for other uses.

Study of Higher Education Course Delivery Methods

Chairman Sanford said Dr. Lisa Feldner, Vice Chancellor for Information Technology and Institutional Research, North Dakota University System, will be assisting the committee with the study.

Senator Holmberg said the study directive includes a review of the use of the higher education funding formula for institutional costs. He suggested the committee receive updates regarding institution transitions to the funding formula including budget terms used by institutions.

Study of Institution Missions

Chairman Sanford said the committee will receive reports from each institution regarding the mission of the institution.

Representative Streyle suggested the committee receive information regarding the feasibility and desirability of the University System constructing facilities to provide two-year programs at remote locations in the state.

Senator Flakoll suggested the committee include representatives of the State Board of Higher Education in discussions regarding institution missions.

Study of Higher Education Governance

Representative Hawken said the Legislative Assembly needs to be clear regarding its expectations of the University System. She suggested the committee review the legislative role in higher education including the legislative relationship with the State Board of Higher Education. She suggested the committee move slowly on the study to avoid any unintended impacts on higher education.

Senator Flakoll said several presentations were made during the legislative session regarding organization structures. He suggested the committee receive a similar presentation.

Other Areas

Representative Streyle suggested the committee receive updates regarding a recent North Dakota Supreme Court decision affecting the jurisdiction of higher education institution law enforcement officers. He also suggested the committee receive updates regarding recent statutory changes that affect the University System, including changes to higher education budget request documentation.

Mr. Eric McDaniel, Student Body President, North Dakota State University, provided comments to the committee.

He offered to assist the committee by providing student perspectives on issues when requested by the committee.

The committee recessed at 4:00 p.m. (MDT) and reconvened at 8:00 a.m. (MDT) on Tuesday, August 11, 2015.

COMMITTEE TOUR

The committee conducted a tour of several facilities on the campus of Dickinson State University. The committee toured the south campus art building, Stoxen Library, and May Hall.

ISSUES AFFECTING DICKINSON STATE UNIVERSITY

Mr. Gaylon Baker, Executive Vice President, Stark Development Corporation, Dickinson, provided information ([Appendix E](#)) regarding economic conditions in the Dickinson area and the effect on higher education. He said economic activity in the area has decreased but is still strong. He said higher education programs can be used to address the workforce needs in the area. He said there are workforce needs in all economic sectors. However, he said some occupations, such as elementary and secondary education teachers, have a severe shortage of workers.

In response to a question from Chairman Sanford, Mr. Baker said Bismarck State College provides workforce training for the area through the TrainND program. He said the program provides quality training but more courses should be offered.

In response to a question from Representative Hawken, Mr. Baker said area employers would benefit from having access to two-year programs, such as diesel technology, in Dickinson. He said an effort could be made to establish business partnerships to sponsor programs.

In response to a question from Representative Martinson, Mr. Baker said he would prefer existing two-year institutions provide programs in Dickinson rather than changing the mission of Dickinson State University.

Mr. Mark Lowe, Vice President for Finance and Administration, Dickinson State University, presented information ([Appendix F](#)) regarding the financial status of the institution. He said the full-time equivalent student enrollment of the institution has decreased from 1,454 students during the fall 2012 semester to 1,176 students during the fall 2014 semester.

Mr. Lowe said net tuition revenue for the institution decreased from \$9.9 million during fiscal year 2010 to \$6.2 million during fiscal year 2015. He said the institution is projecting a budget shortfall of \$4.1 million to \$5.6 million during the 2017-19 biennium.

In response to a question from Representative Martinson, Mr. Lowe said the institution received an appropriation of \$2 million of one-time funding for the 2015-17 biennium. He said even though the funding is considered one-time, the institution used the funding for compensation adjustments in an effort to retain employees.

In response to a question from Senator Nelson, Mr. Lowe said approximately 6 percent of enrolled students are international students.

In response to a question from Senator Flakoll, Mr. Lowe said the institution has been consolidating departments and reducing the number of employees as a result of budget issues. He said most of the eliminated positions were vacant due to retirements or resignations.

In response to a question from Representative Schatz, Mr. Lowe said the institution leases Pulver Hall to other state and local agencies. He said the revenue generated from the leases is used for maintenance and repairs to the building.

Dr. Cynthia Pemberton, Provost and Vice President for Academic Affairs, Dickinson State University, provided comments to the committee regarding institution efforts to reduce expenses. She said the institution is reviewing academic programs and positions and making strategic cuts where appropriate. She said the institution is also reducing costs by lowering the minimum number of credits required to be completed to receive a degree in certain programs from 128 to 120 credits.

Dr. Coston presented information ([Appendix G](#)) regarding the history of the institution and future challenges. He said the institution first held classes in 1918 and the institution's service area includes parts of five states and two Canadian provinces.

Dr. Coston said the institution collaborates with other University System institutions to improve educational access for the citizens of the state. He said the institution has also partnered with a private vocational school to

provide additional workforce training opportunities in Dickinson.

Dr. Coston said the institution was notified by the Higher Learning Commission that the accreditation of the institution has been continued through the 2024-25 academic year. He said the commission will be monitoring the institution with a focus on general education assessment, enrollment management, retention, and program integrity.

Dr. Bruce Pitts, Chairman, Board of Trustees, Theodore Roosevelt Presidential Library Foundation, provided an update on the status of the Theodore Roosevelt Presidential Library project. He said the library will contain documents and other information that can be accessed by scholars and other interested persons. He said the board is reviewing options to locate the library either on the campus of Dickinson State University or near the west edge of the city of Dickinson.

In response to questions from Representative Martinson, Dr. Pitts said the project requires a minimum of 8 to 10 acres of land. He said the initial estimate for the cost of the project is \$52 million and the board wants to ensure the library is self-sufficient in the future. He said the project will require a substantial amount of fundraising and approximately \$750,000 is needed to begin fundraising activities.

COMMITTEE DISCUSSION

Representative Hawken said she is unsure of the role of the Legislative Assembly in determining the missions of higher education institutions. She said as the committee proceeds with its studies, the committee needs to be specific with what information is requested and how it will be used.

Senator Nelson said it is important for the committee to look at the future of education rather than what has been done in the past. She said education content and teaching methods are constantly changing. She suggested having students provide input to the committee at future meetings.

OTHER BUSINESS

Senator Wardner acknowledged the upcoming retirement of Dr. Coston and thanked him for his years of service to the state. He said Dickinson State University is still facing several challenges but the community will work through the issues to ensure the success of the institution.

Chairman Sanford thanked representatives of Dickinson State University for hosting the committee meeting.

Chairman Sanford announced the next committee meeting is Monday and Tuesday, October 5-6, 2015, in Williston.

No further business appearing, Chairman Sanford adjourned the meeting at 12:30 p.m. (MDT).

Brady A. Larson
Assistant Legislative Budget Analyst and Auditor

ATTACH:7