

# NORTH DAKOTA LEGISLATIVE COUNCIL

## Minutes of the

### HIGHER EDUCATION COMMITTEE

Tuesday, October 21, 2003

West Heritage Room, Doublewood Inn  
Bismarck, North Dakota

Senator Ray Holmberg, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Senators Ray Holmberg, Tim Flakoll, Ed Kringstad, Elroy N. Lindaas, Dave Nething; Representatives Ole Aarsvold, Nancy Johnson, Frank Klein, Bob Martinson, Darrell D. Nottestad

**Members absent:** Senator Tony S. Grindberg; Representatives Thomas Brusegaard, Bette B. Grande, Kathy Hawken, Eugene Nicholas, Steven L. Zaiser

**Roundtable members present:** Hardin Aasand, Sue Andrews, John Botsford, Ann Burnett, Joseph A. Chapman, Beverly Clayburgh, Blaine DesLauriers, Jennifer Feist, Bruce Furness, Bill Goetz, Nicholas Hacker, Gary D. Hagen, Dennis Hill, Larry Isaak, Jim Jensen, Dennis Johnson, David Kemnitz, Ralph Kingsbury, James Klein, Dale Knutson, Pamela Kostelecky, Richard Kunkel, Charles E. Kupchella, Wayne Kutzer, Philip Leitner, Gloria Lokken, Don Morton, Roger Reiersen, Jim Roers, Wayne Sanstead, H. Erik Shaar, Chuck Stroup, Donna Thigpen, Sister Thomas Welder

**Roundtable members absent:** Linda Butts, Bruce Christianson, Don Hedger, Carty Monette, Ryn Pitts, Ken J. Quamme, Warren Robinson, Tom Shorma, Curtis L. Wolfe, Delore Zimmerman

**Others present:** John O. Syverson, State Senator, Fargo

Lonny Winrich, State Representative, Grand Forks  
See attached appendix for additional persons present

**It was moved by Senator Flakoll, seconded by Senator Kringstad, and carried on a voice vote that the minutes of the July 14, 2003, meeting be approved as distributed.**

#### HIGHER EDUCATION ROUNDTABLE

Chairman Holmberg commented on the Higher Education Roundtable process. He said through the 1999-2000 and 2001-02 Higher Education Roundtable discussions and the subsequent 2001 and 2003 Legislative Assemblies, the Legislative Assembly, the North Dakota University System, the executive branch, and the private sector have established a new relationship under which the University System is provided a greater and more visible role in the state's economic future. He said at the present time, the challenge of the Higher Education Roundtable is to

sustain the vision and to incorporate the principles of the roundtable into a new culture where behavior patterns are agreed upon and followed by all stakeholders.

Chairman Holmberg said the Higher Education Roundtable will discuss:

- What needs to be done to ensure the momentum of the Higher Education Roundtable continues and becomes a part of the culture of the state.
- How the private sector can continue to play an important role in the process.
- What new mountains need to be climbed.

Chairman Holmberg recognized Governor John Hoeven, who commented on higher education. A copy of the information presented is on file in the Legislative Council office. Governor Hoeven said the state of North Dakota has created a partnership between higher education, government, and the private sector targeting specific industry sectors to create higher-paying jobs and new business opportunities for the state's citizens. He said the 1999-2000 Higher Education Roundtable recommended providing the North Dakota University System flexibility with accountability to empower the system to be a force for economic growth within the state. He said the 2001 and 2003 Legislative Assemblies have provided the University System greater flexibility with corresponding accountability and have enacted other provisions improving the state's business climate. He said the state's next steps include the coordination of development efforts between the Department of Commerce, the North Dakota University System, and the private sector; the leveraging of research funding to maximize effectiveness; and the commercialization of research to create new products, services, and jobs. He said the Governor's office is working with state agencies and the private sector to build a state-wide internship program linking young people to careers.

Chairman Holmberg called on Mr. Dennis Jones, President, National Center for Higher Education Management Systems, Boulder, Colorado, for comments regarding higher education and challenges for the future. A copy of the information presented is on file in the Legislative Council office. Mr. Jones said the key areas or "cornerstones" that have emerged from the Higher Education Roundtable process are:

- Economic Development Connection - Direct connections and contributions of the University System to the economic growth and social vitality of North Dakota.
- Education Excellence - High-quality education and skill development opportunities that prepare students to be personally and professionally successful; readily able to advance and change careers; and be lifelong learners, good citizens, leaders, and knowledgeable contributing members of an increasingly global and multicultural society.
- Flexible and Responsive System - A University System environment responsive to the prioritized needs of its clients and that serves as a model of a flexible, empowering, competitive, entrepreneurial, and rewarding organization for a new economy in a rural state.
- Accessible System - A University System that is proactively accessible to all areas of North Dakota and seeks students and customers from outside the state. It provides students, business, industry, communities, and citizens with access to educational programs, workforce training opportunities, and technology access and transfer.
- Funding and Rewards - A system of funding, resource allocation, and rewards which assures quality and is linked to the expressed high-priority needs and expectations of the University System.
- Sustaining the Vision - A structure and process that assures the University System for the 21st century remains connected, understood, relevant, and accountable to the present and future research, education, and public services needs of the state and its citizens.

Mr. Jones made the following observations regarding higher education in North Dakota:

- 84 out of every 100 ninth graders in North Dakota graduate from high school, and 58 out of 100 ninth graders enter postsecondary education.
- North Dakota "imports" approximately 800 postsecondary students each year.
- 44.2 percent of North Dakota's bachelor's degree students graduate within six years, as compared to the national average of 53 percent.
- 30.7 percent of North Dakota's associate degree students graduate within three years, as compared to the national average of 30 percent.
- 25.7 percent of the state's adults aged 25 to 64 have a bachelor's degree or higher, as compared to the national average of 26.5 percent.
- The part-time undergraduate enrollment as a percentage of 25- to 44-year-olds is

3.6 percent, as compared to the national average of 6.2 percent.

- 39.8 percent of employees in North Dakota have a college degree, as compared to the national average of 36.1 percent.
- The state retains approximately 46 percent of graduates in the state one year after graduation.

Mr. Jones said it is important for the Higher Education Roundtable to continue economic development, accessibility, and sustaining the vision discussions and for the private sector to remain an active participant in the roundtable process. He said student financial aid is also a critical issue to be reviewed.

In response to a question from Roundtable Member Kostelecky regarding higher education accountability measures, Mr. Jones said the addition of accountability measures should be reviewed by the Higher Education Roundtable.

Senator Holmberg said in regard to Higher Education Roundtable responsibilities, each of the Higher Education Roundtable task forces should develop meaningful recommendations for enhancing the economy and other appropriate issues for consideration by the interim Higher Education Committee, the North Dakota University System, the executive branch, and the private sector.

The committee recessed at 10:45 a.m. to convene the Higher Education Roundtable task forces-- Economic Development Connection, Education Excellence, Flexible and Responsive System, Accessible System, Funding and Rewards, and Sustaining the Vision.

The Higher Education Roundtable task forces recessed at 12:00 noon for a luncheon hosted by the Western Interstate Commission on Higher Education (WICHE) in celebration of WICHE's 50th anniversary. During the luncheon, Mr. David Longanecker, Executive Director, WICHE, commented on higher education. Mr. Longanecker said WICHE's mission is to expand educational access and excellence for all the western region citizens by promoting innovation, cooperation, resource sharing, and sound public policy and thereby strengthening higher education's contributions to the region's social, economic, and civic life. He said North Dakota participates in WICHE's student exchange programs, including the professional student exchange program, the western undergraduate exchange program, and the western regional graduate program. He said the state of North Dakota ranks low in state needs-based financial aid and high in tuition levels, but the state ranks high in the share of low-income population participating in higher education.

The Higher Education Roundtable task forces reconvened from 1:15 until 2:00 p.m.

## **ECONOMIC DEVELOPMENT CONNECTION**

Chairman Holmberg called on Roundtable Member Bruce Furness for comments regarding the Economic Development Task Force discussions and recommendations.

Roundtable Member Furness reviewed the following recommendations of the Economic Development Connection Task Force:

1. Continue the strong emphasis on the direct connections and contributions of the North Dakota University System to the economic growth and social vitality of North Dakota.
2. Develop a more positive image of the state of North Dakota.
3. Continue to assist with business development.

In response to a question from Roundtable Member Stroup, Mr. Larry Isaak, Chancellor, North Dakota University System, and roundtable member, said higher education institution presidents have recognized the importance of being entrepreneurial and strive for a balance between all of the Higher Education Roundtable cornerstones.

## **EDUCATION EXCELLENCE**

Chairman Holmberg called on Senator Kringstad, Chairman, Education Excellence Task Force, for comments regarding the task force discussions and recommendations.

Senator Kringstad reviewed the following recommendations of the Education Excellence Task Force:

1. Continue to build support for the roundtable, particularly with higher education faculty.
2. Recognize the importance of education excellence and that the cornerstones, although numbered 1 through 6, are unranked.
3. Encourage higher education institutions, departments, and programs to establish private sector advisory boards.
4. Improve higher education retention and graduation rates through improved college preparation and support for college students.
5. Revise the accountability measures relating to education excellence to be more focused.

Senator Kringstad said the Education Excellence Task Force could be charged with reviewing the accountability measures after the third accountability report is submitted in December 2003.

## **FLEXIBLE AND RESPONSIVE SYSTEM**

Chairman Holmberg called on Roundtable Member Don Morton for comments regarding the Flexible and Responsive System Task Force discussions and recommendations.

Roundtable Member Morton reviewed the following recommendations of the Flexible and Responsive System Task Force:

1. Anticipate and identify future trends in North Dakota and apply a flexible and proactive approach.
2. Facilitate a flexible and responsive system through an internal and external open exchange of information.
3. Define a successful North Dakota University System partnership arrangement.

## **ACCESSIBLE SYSTEM**

Chairman Holmberg called on Representative Johnson, Chairman, Accessible System Task Force, for comments regarding the task force discussions and recommendations.

Representative Johnson reviewed the following recommendations of the Accessible System Task Force:

1. Enhance the marketing efforts of the North Dakota University System with a focus on the older than average student.
2. Develop a seamless preschool through college system, including the review of dual credit courses and affordability.
3. Review student financial assistance, including state-funded, needs-based aid and related student debt.
4. Review the impact of increased tuition costs on enrollment.

## **FUNDING AND REWARDS**

Chairman Holmberg called on Roundtable Member Chuck Stroup for comments regarding the Funding and Rewards Task Force discussions and recommendations.

Roundtable Member Stroup reviewed the following recommendations of the Funding and Rewards Task Force:

1. Sustain the vision of the roundtable and have the State Board of Higher Education examine how the vision can be carried out through the individual and collective assets of the North Dakota University System.
2. Create a culture and provide funding to reward success at the institutional and unit level and to provide incentives as a means of encouraging accomplishment of roundtable objectives, including collaboration. The definition of success needs to be determined at the outset.
3. Support the long-term finance plan adopted by the State Board of Higher Education. Any revisions to the plan should be completed in a broader context that examines the balance between state, institutional, and student sources, including the relationship of tuition to needs-based financial aid.

## **SUSTAINING THE VISION**

Chairman Holmberg called on Senator Nething, Chairman, Sustaining the Vision Task Force, for

comments regarding the task force discussions and recommendations.

Senator Nething reviewed the following recommendations of the Sustaining the Vision Task Force:

1. Continue the roundtable concept by retaining the structure of the membership and having annual meetings.
2. Develop a clear and concise message of the roundtable that explains the goals, objectives, benefits, and impacts of the roundtable.
3. Expand communication of the goals, objectives, benefits, and impacts of the roundtable to the:
  - a. General public.
  - b. Legislative Assembly.
  - c. Public and private higher education faculty, staff, and students.
  - d. Kindergarten through grade 12 administration and staff.
  - e. Business community.
  - f. Professional societies.
  - g. Trade associations.

Chairman Holmberg called on Mr. Jones to provide comments regarding the task force discussions and recommendations. Mr. Jones said in regard to economic development, it is important for members to realize that urban economic development is different from rural economic development. He said it is important for representatives of kindergarten through grade 12 and higher education to have discussions regarding academic preparation and it is critical for roundtable members to sustain the vision and continue communications.

Chairman Holmberg said the Higher Education Committee will visit each campus in the North Dakota University System during the 2003-04 interim and the Higher Education Roundtable will reconvene on Tuesday, June 15, 2004. He said roundtable members are welcome to join the committee at their local higher education institution. He reviewed a **tentative** schedule for budget tours and meetings of the Higher Education Committee, as follows:

Tentative Tour or Meeting Date	Institution or Location
November 18-19, 2003 (Tuesday and Wednesday)	Valley City State University State College of Science
December 18, 2003 (Thursday)	North Dakota State University Main Research Center
March 4-5, 2004 (Thursday and Friday)	University of North Dakota North Dakota Vision Services - School for the Blind State Mill and Elevator
April 21-22, 2004 (Wednesday and Thursday)	Williston State College Williston Research Extension Center Dickinson State University Dickinson Research Extension Center
May 3-4, 2004 (Monday and Tuesday)	Mayville State University Lake Region State College

June 14-15, 2004 (Monday and Tuesday)	Bismarck State College Committee and Higher Education Roundtable meeting, Bismarck
September 13-14, 2004 (Monday and Tuesday)	Minot State University North Central Research Extension Center Minot State University - Bottineau Forest Service

Chairman Holmberg distributed a report compiled by the North Dakota University System entitled *Achieving the Vision of the Roundtable on Higher Education*. A copy is on file in the Legislative Council office.

Chairman Holmberg called on Chancellor Isaak for comments regarding the Higher Education Roundtable. Chancellor Isaak said an important aspect of sustaining the vision of the Higher Education Roundtable is being an advocate of the process. He said it is important for all areas of the state to benefit for the roundtable to be successful and bold leadership is necessary for the roundtable to continue.

**It was moved by Senator Nething, seconded by Representative Klein, and carried on a voice vote that the committee adjourn subject to the call of the chair.** The meeting was adjourned at 3:15 p.m.

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Roxanne Woeste  
Senior Fiscal Analyst

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Jim W. Smith  
Legislative Budget Analyst and Auditor

ATTACH:1