

2005 Legislative Review

A Look At Higher Education In Week 12: March 21 – 25, 2005



Stay Tuned!

As the end of the session nears, action on major bills may be reported more frequently than this weekly newsletter through major NDUS listserves.

SB 2032: Funding for Mandated Studies Now Included in Economic Development Bill

SB 2032, the comprehensive economic development bill, was heard March 21 in House Appropriations Government Performance Division.

SB 2032 mandates the NDUS to conduct a study of incentives for stimulating commercialization of new technologies and a study of the state's transportation infrastructure by the Upper Great Plains Transportation Institute. Funding for both studies was added to the bill by House Industry, Business and Labor; SB 2032 now includes \$50,000 for the technology

commercialization study and \$485,000 for the transportation infrastructure study.

Vice Chancellor Eddie Dunn testified that it is the University System's assumption and recommendation that funding for the studies will fall within the economic enhancement component of the system's budget priorities. The NDUS does not recommend funding the studies within the suggested 21 percent requested to be allocated to the NDUS in engrossed SB 2003 to address long-term finance plan goals.

NDUS Office Provides Accountability Measures Overview to House Government Performance Division

At the request of Rep. Al Carlson, House Government Performance Division chair, Chancellor Robert Potts and vice chancellors Eddie Dunn, Laura Glatt and Mike Hillman provided an overview of the system's accountability measures March 22.

The chancellor and vice chancellors responded to a number of questions about the origins and development of measures currently included in the report. They provided updates on specific measures as requested.

In response to questions about when the legislature will see the impact of the roundtable on the state's economy, the NDUS Office later provided the division a summary of the economic impact study recently conducted by Larry Leistritz and Randal Coon, NDSU Department of Agribusiness and Applied Economics.

This study summarizes the University System's increased economic impact on the state since the beginning of the roundtable as follows:

Total impacts were estimated to be \$1.6 billion in FY 1999 and \$2.2 billion in FY 2004 (Table 3). Total economic impact has increased by \$687 million (44 percent) during the 5-year period.

It also describes the system's contribution to tax revenues:

In FY 2004, retail trade activity (\$537 million) would produce \$24.1 million in additional sales and use tax revenues, while the increased personal income (\$887 million) would generate \$13.3 million in additional personal income tax collections.

The written report to the division also reinforced the roundtable rationale that, rather than expecting additional funding to come from increased taxes and/or other state agency budgets, higher education revenue should come from growth in the economy – an expansion the University System helps create. This is the logic that led to the roundtable recommendation connecting higher education and growth of the state's economy.