

# Legislative Review

**NORTH DAKOTA**  
**UNIVERSITY SYSTEM**  
The Vital Link to a Brighter Future

*A Look at Higher Education in Week 4: Jan. 22–26, 2007*

## Work Continues on Amendments to HB 1027

Work continues on amendments to HB 1027, a bill sponsored by the interim Economic Development Committee.

“HB 1027 is one of the most far-reaching pieces of legislation for the University System this session,” said Chancellor Eddie Dunn. “Because it encompasses so many topics that are fundamental to our core mission, HB 1027 has significant policy implications for higher education.”

Provisions in the bill potentially will affect:

- NDUS accountability measures
- Centers of Excellence
- Workforce training

- Workforce development
- Follow-Up Information on North Dakota Education and Training (FINDET)
- Internships
- New program start-up

Possible amendments have been reviewed by NDUS institutions and were discussed during the Jan. 25 meeting of the Chancellor’s Cabinet. These amendments will be discussed with Shane Goettle, Department of Commerce commissioner, and forwarded to a sub-committee of House Industry, Business and Labor Committee chaired by Rep. Dan Ruby.

**Friday, Feb. 2**

**Deadline for referrals of bills in house of origin to Appropriations Committees**

## HB 1521: Tuition Freeze Bill Heard

HB 1521, a bill that would freeze tuition at Spring 2007 rates and appropriate \$20 million in general funds to the NDUS, was heard in House Appropriations, Education and Environment Division, Jan. 23.

Chancellor Eddie Dunn testified in support of thoughtful measures that limit tuition rate increases. He told the committee that increasing tuition rates, coupled with limited state need-based financial aid, is making it more difficult for students to attend college full-time and resulting in increased student debt at the time of graduation. He also said the University System appreciates the \$20 million appropriation contained in the measure that would offset lost 2007–09 tuition revenues that would result from elimination of a tuition rate increase of up to 5 percent per year. Dunn pointed out that recently updated estimates suggest the figure needed to be increased to \$25.5 million. He reiterated that, because of the interdependent nature of state support and tuition, it also is necessary for the Legislature

to transfer \$8.12 million in HB 1003 (the NDUS appropriation bill) from one-time to base funding and add \$2.7 million in base funding to HB1019 (the Career and Technical Education appropriation) for workforce training. These changes would provide the NDUS with the \$63 million base funding increase included in the board’s 2007 – 09 budget request, which is needed to limit tuition rate increases to no more than five percent per year.

Although a tuition freeze sounds attractive, Adam Little, NDSA lobbyist, said programs might be cut and education might suffer or the colleges and universities would have to find other funding sources, such as fees. He also said that if the \$20 million is not included in the permanent base of the NDUS, future generations of students would need to make it up through higher tuition rates later. Instead, he suggested a tuition increase cap of 3 percent per year, and using the additional

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## **NDUS IT Planning and Services Bill Heard**

HB 1461, a bill that provides the SBHE authority to manage and regulate information technology planning and services for NDUS institutions, was heard in House Appropriations, Government Operations Division, Jan. 22.

Rich Lehn, NDUS assistant to the chief information officer, testified that HB 1461 is consistent with recent practice, which has grown out of positive relationships with the state Information Technology Department and the interim Information Technology Committee. Lehn said there are major differences between state IT services and those of higher education, and it makes sense to put into place a structure that recognizes and supports those differences.

HB 1461 is scheduled for full House Appropriations consideration on Jan. 29.

## **Workforce Training Curriculum Design Bill Heard**

SB 2249, was heard in the Senate Education Committee Jan. 23.

SB 2249 would provide \$8 million to Career and Technical Education to be divided equally among the four workforce training quadrants for curriculum design and development related to workforce needs to be determined in collaboration with the Department of Commerce. It also would provide \$2 million to CTE for supplemental workforce training grants to the four NDUS colleges assigned primary responsibility for workforce training.

Dave Clark, BSC executive vice president, and Harvey Link, NDSCS vice president, testified in support of the bill. Clark told the committee SB 2249 makes an investment in human capital by expanding the capabilities of North Dakota's two-year colleges to develop and expand curriculum to meet the increasing workforce needs of the state. Clark said the current workforce training funding level of \$1.35 million has been in place for six years; the \$2 million in supplemental workforce training grants will provide a funding mechanism in support of compelling economic development opportunities.

Link said high-quality career and technical education programs that support workforce development require a significant investment of human and financial resources. He also said SB 2249 is a positive and creative approach by which North Dakota can effectively invest in the future technical workforce of the state.

No committee action was taken on the bill.

## **HB 1003 Under Review by Subcommittee**

A subcommittee of the House Appropriations Committee is considering HB 1003, the NDUS budget bill. They have asked for additional information on some components of the budget. The subcommittee has invited some institution and NDUS officials to visit with them in more depth next week. Requests for more information are not unusual and can be expected, given the level of funding investment the Legislative Assembly is being asked to make in the NDUS.

## **House I, B & L Considers BND Scholarship Fund Bill**

Heard by the House Industry, Business and Labor Committee Jan. 24, HB 1518 would transfer funds from Bank of North Dakota student loan program profits to a scholarship fund for North Dakota college students.

Peggy Wipf, NDUS director of financial aid, told committee members this legislation helps drive home an important message: The single most important factor that will determine the success of North Dakota will be its human capital. Secondly, and equally as important, she said, the primary developer and source of that capital is the University System. She also said that increasing scholarship opportunities for college students is a win-win situation for students and the state.

HB 1518 would transfer 75 percent of profits accrued from BND's administration of student loan programs to a special fund to be distributed by the SBHE to the 11 NDUS institutions on an FTE basis.

## **House I, B & L Hears "Skill Training" Bill**

HB 1385, a bill that defines skill training, was heard in the House Industry, Business and Labor Committee Jan. 23.

In its present form, HB 1385 supports and promotes skill training, retraining and upgrade training for North Dakota workers. The amended version defines skill training to include trade skills; occupational skills; communication skills, including reading for information; and problem-solving skills, including applied mathematics and location of information.

## **Tribal College Funding Bill Heard**

HB 1395, a bill to provide state general fund financial assistance to tribal colleges, was heard in the House Education Committee Jan. 23.

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# Chancellor's Cabinet Position on 2007 Legislation

*Bills introduced or amended between SBHE meetings are reviewed by the Chancellor's Cabinet during weekly conference calls. The cabinet recommended positions on the following bills this week.*

## Oppose

- SB 2344** Restricts NDUS off campus catering
- SB 3298** Adds reporting requirements to annual accountability report, including analysis of non-instructional cost increases, four biennia analysis of non-instructional FTE employees, justification of non-instructional positions paid in excess of \$100,000, and actions to reduce non-classroom costs

## Support with Amendment

- SB 2276** Provides a \$440,000 appropriation to North Dakota prevention and advisory council for grants to prevent impaired driving, alcohol or drug abuse, etc.
- SB 2379** Provides \$2,104,734 general funds to UND for nursing education consortium
- SB 2404** Provides \$700,000 state general fund appropriation to OMB, for payments to tribally controlled colleges for students who are less than one-quarter Indian and who do not qualify for federal assistance

## Support

- SB 2226** Provides appropriations to experiment station and extension for grape research and outreach
- SB 2269** Relates to excessive alcoholic drink discounting
- SB 2347** Relates to creation of a North Dakota Promise grant program, providing a tuition reduction for students enrolled in institutions of higher education
- SB 2356** Provides \$50 million to NDUS for extraordinary repairs and \$100 million to the Water Commission if the general fund balance is projected to exceed \$40 million
- SB 2362** Provides income tax reduction for higher ed tuition and related expenses
- SB 2393** Provides 25 percent student loan forgiveness for each three-year period baccalaureate graduate remains in state after graduation
- HCR 3025** Studies possible methods of growing North Dakota's population and increasing the available workforce in the state

## On the Week Five Agenda

- SB 2184 Mon., Jan. 29, 9 a.m., S-APPR:** Increases required K-12 days to 176 (by 2010) and compulsory attendance to age 18
- HB 1487 Mon., Jan. 29, 9 a.m., H-EDU:** Creates a low-interest student loan program, to provide a transfer and to provide a continuing appropriation
- SB 2362 Mon., Jan. 29, 9 a.m., S-FINTAX:** Relates to an income tax reduction for higher education tuition and related expenses
- SB 2379 Mon., Jan. 29, 9 a.m., S-HUMSER:** Provides for a nursing education consortium to conduct an assessment of the possible nursing student population and to establish a mobile clinical nursing simulation laboratory
- SB 2309 Mon., Jan. 29, 11 a.m. S-EDU:** Relates to high school coursework requirements
- HB 1194 Mon., Jan. 29, 2:30 p.m., H-EDU:** Changes the standard and advanced course of instruction requirements in K-12
- SB 2356 Tues., Jan. 30, 8:30 a.m., S-APPR:** Provides \$50 million to NDUS for extraordinary repairs and \$100 million to the Water Commission if the general fund balance is projected to exceed \$40 million
- SB 2398 Tues., Jan. 30, 8:30 a.m., S-EDU:** Relates to a performance and accountability report by the board of higher education and requires a reduction in non-classroom expenses equally to the rate of tuition increases
- SB 2344 Tues., Jan. 30, 9:15 a.m., S-EDU:** Relates to the preparation and provision of meals by institutions of higher education and school districts
- SB 2347 Tues., Jan. 30, 10:15 a.m., S-EDU:** Relates to creation of a North Dakota Promise grant program, providing a tuition reduction for students enrolled in institutions of higher education
- SB 2404 Wed., Jan. 31, 8:30 a.m., S-EDU:** Provides \$700,000 in state financial assistance to tribally controlled colleges
- SB 2393 Wed., Jan. 31, 9:45 a.m., S-EDU:** Provides student loan reduction for certain residents
- SB 2269 Thurs., Feb. 1, 8:30 a.m., S-POLSUB:** Relates to excessive alcoholic drink discounting
- HB 1479 Thurs., Feb. 1, 1:30 p.m, H-GVA:** Eliminates agency exemptions from the Administrative Agencies Practice Act

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2 percent of funds to increase NDUS base funding consistent with the SBHE budget request of \$63 million in HB 1003. Little also asked the committee to move one-time *ConnectND* funding in HB 1003 to base funding so that permanent employees could be hired rather than the continued use of consultants.

*Tribal College, from Page 2*

Chancellor Eddie Dunn testified in support of the bill in recognition of the importance of tribal colleges in providing educational opportunities and attracting and developing the human capital needed to create a brighter future for North Dakota. Dunn said the SBHE supports this bill with the qualification that the funding not be included in the University System's HB 1003 request for \$63 million in additional base funding.

No committee action was taken.