

Legislative Review

NORTH DAKOTA
UNIVERSITY SYSTEM
The Vital Link to a Brighter Future

A Look at Higher Education in Week 6: Feb. 5–Feb. 9, 2007

Subcommittee Amendments Damage University System Budget Bill

The House Appropriations Committee, Education and Environment Division, adopted amendments to HB1003, the NDUS appropriation bill, Feb 8.

“These amendments have the potential to bring to a halt the tremendous accomplishments that have resulted from the Roundtable on Higher Education,” said Eddie Dunn, NDUS chancellor. “Adding funding for special projects while cutting the base budget is detrimental to the core functions of the University System. It will be critically important to get our budget bill back on track as it moves through the legislative process.”

The House Appropriations Committee will act on the NDUS budget next week, and the House must vote on it by Friday, Feb. 16, the date all bills must cross over from the house of origin to the second house of the Legislature.

These amendments cap tuition rate increases at no more than 5 percent per year for the 2007 – 09 biennium and reduce the 5 percent per year faculty and staff salary increases included in the SBHE budget to 4 percent.

State General Fund Reductions

- More than \$7 million in base funding from the recommended level included in the executive budget (\$1.3 million added in one-time funding for special institutional initiatives and \$17.9 million added in one-time funding for major capitol projects)
- \$4 million resulting from reduction of the “5 + 5” faculty and staff salary increases to “4 + 4”
- \$2.6 million in funding allocated to the SBHE for contingencies, emergencies and special initiatives, thereby eliminating all flexible SBHE funding

- Elimination of funding to split the responsibilities of the College and Technical Education Council (CTEC) director and the vice chancellor for strategic planning

State General Funded Additions

- \$1.5 million or roughly one-half of the cost of a wind turbine at LRSC
- \$350,000 for the NDSCS Nanoscience and Technology Training Program
- \$8 million for a new library at DSU
- \$559,500 to pay off special assessments at MaSU
- \$387,000 for a dome floor replacement at MiSU
- \$4 million (total of \$6.5 million) for Swain Hall renovation/addition at MiSU
- \$700,000 for the UND School of Medicine and Health Sciences for the bacteriology and immunology program
- \$4 million for the UND School of Medicine and Health Sciences for a new family practice center/graduate center in Bismarck and
- \$900,000 from the Permanent Oil Tax Trust Fund for a new facility, personnel and related operating expenses for WSC’s oil service rig program

At least one additional amendment may be introduced for consideration by the House Appropriations Committee. Based on a suggestion from Rep. Svedjan, committee chair, the amendment would require creation of a special legislative committee to study higher education productivity during the 2007-09 interim. This study is likely to include a review and discussion of faculty workload, improvements to time-to-degree, enrollment management, cost containment and better use of campuses.

Crossover, Feb. 16

The date by which all bills must pass out of the house of origin to the second house of the Legislature

Criminal Background Check Bill Passes

The Senate Appropriations Committee heard **SB 2260**, a bill to provide authority for criminal history record checks, and unanimously recommended “do pass” on Feb. 8.

Supported by the SBHE, this bill would broaden NDUS institutions’ authority to conduct more comprehensive background checks on applicants for particular positions and on students applying for admittance to specific programs.

Concurrent Resolution on Growing the State’s Population Heard

HCR 3025, a concurrent resolution authorizing a study of possible methods for growing North Dakota’s population and increasing the available workforce, was heard in the House Industry, Business and Labor Committee Feb. 6.

Testifying in support of the resolution, NDUS Chancellor Eddie Dunn said it is consistent with the University System and private sector message about human capital being the single most important factor that will determine the success of North Dakota. He said the University System is the primary developer of people who have the knowledge and skills required to fill positions in today’s knowledge-based economy.

Dunn said this study would parallel and support the vision of the Roundtable on Higher Education, which charged the University System with developing a dual mission: (1) continue to provide high-quality education for students and (2) take on a larger role in helping enhance North Dakota’s economy. He said it also would provide valuable information for updating the system’s enrollment management plan.

The committee has not yet taken action on the concurrent resolution.

Endowment Matching Funds Bill Heard

Senate Appropriations Committee heard **SB 2306**, a bill to provide one-third matching funds for scholarship endowments, Feb. 8.

Peggy Wipf, NDUS director of financial aid, testified in support of the bill and said it would be another way to help keep education affordable. Wipf provided information illustrating a dramatic increase in student loan borrowing between 1989 – 90 and 2004 – 05, a time period in which the availability of federal grant dollars remained steady. Wipf said the average undergraduate loan indebtedness in North Dakota is between \$17,000 and \$22,000. Growing scholarship opportunities for college students is a win-win for students and the state, she said.

The committee did not take action on the bill.

Senate Appropriations Considers Workforce Training Curriculum Design Bill

SB 2249, a bill to provide funding for NDUS workforce curriculum development and supplemental workforce training, was heard in the Senate Appropriations Committee Feb. 5.

If passed, SB 2249 would provide \$4 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 \$650,000 to CTE for supplemental workforce training grants for the four NDUS colleges assigned primary responsibility for workforce training.

Several University System and private sector representatives testified in support of the bill. Dale Knutson, director of the North Dakota Workforce Training System, said the additional support provided in SB 2249 would help increase training capacity, meeting the desperate needs of more businesses and their employees and enhancing the economic well being of communities, regions and the entire state. Knutson told the committee the workforce training system has increased the number of businesses served from 518 in FY 2000 to 1,287 in FY 2006. He said there is strong demand for training, but the system has reached its capacity.

The committee has not yet acted on the bill.

Longitudinal Data System Amendment Adopted

On Feb. 5, the House Appropriations Committee, Government Operations Division, adopted an amendment proposed by Rep. Skarphol to **HB 1021**, the ITD budget bill. The amendment added \$228,000 in general funds to the ITD budget for development of a plan for a longitudinal data system in the state.

The budget would fund one FTE for both years of the biennium as well as \$50,000 for a consultant to aid in the design. The intent is to put a plan together so that North Dakota could compete for a federal data quality initiative grant. The ITD budget also includes expenditure authority in the event state agencies are able to start investing in the implementation of the plan.

The bill, with the amendment, received a unanimous “do pass” by the committee.

Senate Approves High School Graduation Requirements Bill

SB 2309, a bill that would increase high school graduation requirements, received a “do pass” vote of 12-0 in the Senate Appropriations Committee Feb. 6 and a Senate “do pass” vote of 44-3 Feb. 7.

In its present form, SB 2309:

- Increases the units required for high school graduation from 21 to 22 by 2010 and 24 by 2012 and
- Requires, for the first time, specific coursework for high school graduation

A provision requiring the Joint Boards to pursue alignment between the proficiencies required for high school graduation and admission to college has been withdrawn from the bill.

Senate Appropriations Considers “North Dakota Promise”

The Senate Appropriations Committee heard testimony on **SB 2347**, a bill to offer earned college tuition to North Dakota high school students, Feb. 7.

Referred to as the “North Dakota Promise” bill, SB 2347 would require the state to pay the bulk – and eventually all – of North Dakota students’ tuition bills if they meet specific residency, curriculum and GPA criteria.

Testifying in support of the bill were Eddie Dunn, NDUS chancellor; Laura Glatt, NDUS vice chancellor for administrative affairs; Shane Goettle, Department of Commerce commissioner; Brian Walters, Fargo Moorhead Economic Development Corporation president; Alice Hoffert, UND associate vice president for enrollment management; and Dante Miller, NDSU student body president. Dunn told the committee the program could help attract new residents to the state and encourage more high school students to stay in the state. He said competition for college students from other states is increasing as the states implement scholarship programs to entice their own students.

Dunn said several Midwestern states have, or are considering, programs similar to North Dakota Promise. With increased competition for students and the potential decline of a significant number of out-of-state students coming to North Dakota, it is imperative to take steps to retain as many North Dakota students as possible, he said.

Beginning with the 2012 – 13 school year, eligible students would receive “promise grants” equal to 65 percent of tuition, then 65 percent plus increases at the rate of CPI for the next three years. The grant percentage would increase each year until 2017 – 18

when it would equal 100 percent of tuition. Students would be eligible for the grants for no more than four consecutive years. The promise grant pilot program would be evaluated after the 2028 – 29 school year. A merit award trust fund would be created to pay for the program.

Amendments to broaden eligibility for the program are being considered.

NDSU Ag Budget Bill Sent Back to Committee

HB 1020, the NDSU Extension and Research appropriation bill, was amended by the House Appropriations Committee, Education and Environmental Division, and sent to the full appropriations committee.

After adopting a “do pass” recommendation, which includes an increase of about \$3.4 million above the executive budget, on Feb. 8, House Appropriations reconsidered the bill and sent it back to the subcommittee Feb. 9. More information will be provided as it becomes available.

The Feb. 8 amendment passed by House Appropriations, included:

- \$1,743,000 increase in base funding for the following:
 - Waste management systems program - \$400,000
 - 4-H youth development position - \$175,000
 - Rural leadership position - \$200,000
 - Statewide parenting resource centers - \$398,000
 - ND wine research position - \$250,000
 - Junior master gardener program - \$60,000
 - Replaces special funds from ag research fund with general funds - \$300,000
- \$1,645,000 increase in one-time funding for the following:
 - Operating pool (Requires consideration be given to decreases in oil revenues at the Dickinson REC when determining the allocation) - \$800,000
 - Industrial hemp research (Also authorizes the Main Research Center to contract with other entities for the procurement of hemp seed and to conduct the research) - \$325,000
 - North Central REC equipment storage facility - \$325,000
 - Increase one-time funding for deferred maintenance (included in the executive recommendation) from \$100,000 to \$200,000 - \$100,000
 - Funds for renovation of NCI offices - \$95,000

Bills Passed This Week

SB 2189: Provides an appropriation for state employee salary equity adjustments

Bills Failed This Week

- HB 1194:** Changes the standard and advanced course of instruction requirements in K-12
- HB 1518:** Relates to profits of the Bank of North Dakota
- SB 2269:** Relates to alcoholic drink discounting

Bills Failed Feb. 2

- HB 1441:** Provides an appropriation for K-12 and related distribution and property tax relief
- HB 1521:** Prohibits increases in tuition
- SB 2393:** Provides a student loan reduction for certain residents
- SB 2398:** Adds reporting requirements to the annual accountability report

On the Week Seven Agenda

SB 2404 Mon., Feb. 12, 11:15 a.m., S-APPR: Provides financial assistance to tribally controlled community colleges

SB 2362 Mon., Feb. 12, 4:30 p.m., S-APPR: Relates to an income tax reduction for higher education tuition and related expenses