

Legislative Review

NORTH DAKOTA
UNIVERSITY SYSTEM
The Vital Link to a Brighter Future

A Look at Higher Education in Week 10: March 5–9, 2007

Senate Committee Hears Centers of Excellence Bill

HB 1027, a bill sponsored by the interim Economic Development Committee, was heard by the Senate Appropriations Committee March 6.

NDUS Chancellor Eddie Dunn testified the bill has a number of elements that encourage closer connections between economic development initiatives, primarily those involving the Department of Commerce and the University System.

“The University System is especially supportive of the centers of excellence program, which is included in this legislation,” Dunn said.

“In addition to the significant economic impact already being experienced and anticipated from the centers of excellence, the concept has stimulated extensive discussions on how the colleges and universities can become even more engaged in helping enhance the economy in their respective regions and throughout the state,” he said.

Mark Nisbet, chair of the Centers of Excellence Commission, said he has had the opportunity to witness many of the exciting things happening as a result of the centers of excellence program.

“Private businesses are stepping up to the plate to partner with our colleges and universities to create centers that are generating high-value employment opportunities and growing and diversifying North Dakota’s economy,” Nisbet said. “In fact, the original \$20 million appropriated for the 2005–07 biennium is leveraging a match

approaching \$80 million. What was required to be at least a 2 to 1 match is in fact approaching a 4 to 1 match.”

Nisbet testified that some provisions of HB 1027 would put limitations on future centers of excellence.

“The change I’m concerned about is contained in Sections 1 and 4,” Nisbet said. “Section 1 creates a distinction among centers designed to address commercialization, workforce and infrastructure needs and limits workforce and infrastructure centers to only 10 percent of the total appropriated during the biennium.

Section 4 says, if a center’s primary use of funds will be for infrastructure, the center must be designated as addressing infrastructure needs. These changes severely limit the flexibility of the current program that I believe has led to successful centers across the state,” he said.

“Let me be clear, I do not think the centers of excellence is about funding normal, everyday workforce training. Nor is it about constructing buildings for the sake of just another building on campus.

Centers of excellence are about partnering our universities and colleges with the private sector to create jobs and grow our economy. In order to do this, our universities and colleges need to be responsive to the needs of the private sector,” Nisbet said.

The committee has not yet taken action on the bill.



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Mark Nisbet, chair of the Centers of Excellence Commission, testifying on HB 1027

Criminal Background Check Bill Heard in House Committee

The House Judiciary Committee heard **SB 2260**, a bill to provide authority for criminal history record checks, March 5.

Supported by the SBHE, SB 2260 Section 4 includes an amendment to NDCC Section 12-60-24 giving the chancellor authority to specify positions for which FBI criminal history checks of job applicants or employees may be requested and programs of study for which similar checks may be completed on students.

Pat Seaworth, NDUS general counsel, told the committee SB 2260 will give NDUS officials the ability to obtain reliable and thorough criminal history information in order to provide greater security that selected job applicants or employees and students in certain programs do not pose a threat to campus communities and the public.

The committee has not taken action on the bill.

House Committee Hears Extraordinary Repairs Bill

SB 2356, a bill that would provide funding for extraordinary repairs at NDUS institutions, was heard in the House Appropriations Committee, Education and Environmental Division, March 5.

Laura Glatt, NDUS vice chancellor for administrative affairs, testified in support of the bill. She said an investment in state facilities is desperately needed; the NDUS currently has a backlog of deferred maintenance of nearly \$120 million on state-funded facilities. SB 2356 would provide the NDUS a contingent appropriation of up to \$50 million for extraordinary repairs.

Glatt said engrossed **HB 1003**, the NDUS appropriation bill, includes \$6.7 million in base funding for extraordinary repairs. These are the funds the institutions use for regular repair and maintenance of facilities. This provides \$3.35 million annually to maintain \$1.2 billion in state-funded facilities and infrastructure or less than 0.3 percent of value per year. This level of funding provides for more than a 300-year replacement cycle for facilities. Furthermore, campuses must pay annual special assessments from this same source of funding. Industry standards suggest a regular facilities investment of 1.5 to 3 percent per year.

The NDUS appropriation bill also includes \$11.6 million in one-time funding for deferred maintenance and \$23.4 million in one-time state general funds for major capital projects (i.e. major new construction or renovation). Generally, these major capital projects have been bonded, but, in this budget proposal, they are funded with state general funds.

“Taken together, the funding included in the budget is significant and greatly appreciated,” Glatt said. “However, the NDUS has a major deferred maintenance challenge, and additional funding would help address some of the remaining needs. Modern and technologically up-to-date facilities are becoming even more critical for the attraction and retention of students and the preparation of students for work in the 21st century economy.”

The committee has not yet taken action on the bill.

Low-Interest Student Loan Bill Heard

HB 1487, a bill that would create a low-interest student loan program, was heard in the Senate Education Committee March 5.

Peggy Wipf, NDUS director of financial aid, testified in support of the bill.

“This bill would provide another avenue in helping maintain affordable education for our North Dakota students,” Wipf said. “Currently, the average loan indebtedness of a North Dakota undergraduate student is between \$17,000 and \$22,000. This legislation will be extremely beneficial in reducing the amount of money a family needs to pay for post-secondary education and would provide a reasonable low-cost loan alternative.”

Wipf provided figures illustrating that federally subsidized student loan borrowing increased dramatically between 1989–90 and 2004–05 while available federal grants dollars remained fairly steady.

The committee did not take action on the bill.

Veterinary Medicine Loan Forgiveness Bill Heard

HB 1125, a bill that would create a loan forgiveness program for veterinarians, was heard in the Senate Education Committee March 6.

Laura Glatt, NDUS vice chancellor for administrative affairs, testified in support of the SBHE-sponsored bill. She said this legislation would create a program for veterinarians similar to an existing loan forgiveness program for dentists.

Glatt said the intent of HB 1125 is to encourage new veterinary medicine graduates to return to North Dakota to practice. Anecdotal information suggests it is becoming more difficult to attract veterinary medicine professionals to rural North Dakota.

In its original form, HB 1125 included optometrists in the program, as well as a community matching loan forgiveness provision. Both were eliminated by the House.

The committee has not taken action on the bill.

Teacher Loan Forgiveness Program Bill Heard

HB 1249, a bill that would amend the state's teacher loan forgiveness program, was heard in the Senate Education Committee March 6.

As approved by the House, HB 1249 establishes top-priority status for recent graduates and additional loan forgiveness for teachers who work in school districts that have fewer than 5,000 students.

The committee did not take action.

House Committee Hears Tribal College Financial Assistance Bill

SB 2404, a bill that would provide \$700,000 in state financial assistance to tribally controlled colleges, was heard in the House Education Committee March 7.

SB 2404 is intended to help defray tribally controlled community college costs in serving non-tribal members.

Mike Hillman, NDUS vice chancellor for academic and student affairs, testified in support of the bill in recognition of the fact that the single most important factor that will determine the success of North Dakota will be its human capital – people with the knowledge and skills required to fill positions in today's knowledge-based, technology-driven economy. Hillman said the primary vehicle for attracting and developing the human capital needed to create a brighter future for North Dakota is its education system – particularly higher education – and the tribal colleges are critical to the process.

Hillman emphasized the need to fund this bill from sources other than the NDUS budget.

“The SBHE has established a set of priorities for the 2007 Legislative Session,” he said. “The highest of those priorities is achieving sufficient base funding to support the core function of the NDUS colleges and universities. The SBHE is supportive of the tribal college funding provided in SB 2404 with the qualification that such funding is not to be included in the \$63 million in additional base funding requested in HB 1003, the appropriations bill for the University System.”

Because of the similarities between SB 2404 and HB 1395, the NDUS is recommending merger and reconciliation of the two bills. The committee did not take action.

House Education Reduces Supplemental Workforce Training Funding

Amendments to **SB 2249**, a bill to provide funding to the State Board for Career and Technical Education, were approved by the House Education Committee March 6.

As approved by the Senate, SB 2249 provided \$2 million to be divided equally by BSC, LRSC, NDSCS and WSC for curriculum design and development related to workforce needs. In its current form, this funding has been reduced to \$1 million.

Also as approved by the Senate, SB 2249 included \$2.65 million for supplemental workforce training grants to be distributed to the four workforce training regions in the state. This funding has been removed from the current form of the bill.

Income Tax Deduction Bill Heard

HB 1091, a bill to provide income tax deductions for contributions to the North Dakota higher education savings plan, was heard in the Senate Education Committee March 7.

HB 1091 would provide tax deductions of up to \$5,000 for a single tax return and \$10,000 for a joint tax return for contributions to the plan. Peggy Wipf, NDUS director of financial aid, testified in support of the bill.

The committee did not take action.

Nursing Education Consortium Bill Heard

SB 2379, a bill to develop a nursing education consortium, was heard in the House Human Services Committee March 6.

As introduced, SB 2379 provided \$2.1 million to create a nursing education consortium to address the state's nursing shortage, especially in rural areas, and to establish a mobile clinical nursing simulation laboratory program to provide clinical nursing education statewide. This initiative is not part of the SBHE budget request or the governor's budget recommendation, and, as such, is supported only after the SBHE base funding request is funded.

As approved by the Senate, SB 2379 includes only \$500,000, which would not provide adequate resources to carry out the program as proposed.

On the Week 11 Agenda

SB 2309 Mon., March 12, 8:30 a.m., H-EDU: Increases high school graduation and higher education admission requirements

SB 2347 Mon., March 12, 10 a.m., H-EDU: Relates to creation of the North Dakota Promise grant program for students enrolled in institutions of higher education

SB 2015 Tues., March 13, 9 a.m., H-APPGOV: Includes funding for centers of excellence

HCR 3025 Tues., March 13, 11:00 a.m., S-IBL: Studies possible methods of growing North Dakota's population and increasing available workforce

HB 1395 Wed., March 14, 9:15 a.m., S-APPR: Provides funds to the SBHE for grants to tribally controlled colleges for non-Indian students

HB 1125 Thu., March 15, 10:15 a.m., S-APPR: Creates a loan repayment fund for veterinarians

SB 2160 Thu, March 15, 3:15 p.m., H-GVA: Makes higher education-affiliated non-profit records exempt