

# Legislative Review

NORTH DAKOTA  
UNIVERSITY SYSTEM  
The Vital Link to a Brighter Future

A Look at Higher Education in Week 12: March 19–23, 2007

## Senate Appropriations Amends HB 1003

The Senate Appropriations Committee adopted the following amendments to HB 1003, the NDUS budget bill, March 23:

- Restored \$4.2 million in state general fund appropriation for 5/5 percent salary increase
- Added \$150,000 for EPSCoR
- Added \$98,500 in state general fund appropriations to the Board Initiative Fund to be used along with \$98,500 in special funds from MiSU for a shared recruiting initiative with MiSU-B; this is a pilot project and both institutions are to report back to the 61st Legislative Assembly on its effectiveness.
- Added \$2.3 million in one-time funding for *ConnectND*
- Added \$373,800 for completion of the Northern Tier Network and added legislative intent that requires participating NDUS institutions to pay ongoing maintenance costs
- Removed remaining funds from the operations pool – \$144,559
- Removed remaining funds from the contingency/capital emergency pool – \$296,482
- Added \$100,000 in operating funds to NDSCS and \$400,000 to VCSU
- Removed \$249,000 in special funds from the Education Incentive Grant line, which was related to HB1249 that was defeated by the Senate
- Added \$205,920 (from the Student Loan Trust Fund) to fund five veterinarian slots per year at Kansas State
- Reduced funding for special assessment pay-off at MaSU from \$559,500 to \$143,033, which will provide adequate funding to make annual installment payments in 2007–09 and pay off the remaining installment for the current biennium

*HB 1003, continued on Page 2*

## Chancellor's Cabinet Request of Legislators: Invest in Human Capital for North Dakota's Future

Chancellor Eddie Dunn and CEOs of the 11 NDUS colleges and universities urged legislators to invest strategically in the future of North Dakota in a signed letter delivered to members of the House and Senate March 23, 2007.

The central message of the letter is that the single most important factor that will determine the future success of North Dakota will be the availability of “human capital” – the talent, energy and innovation needed to compete in today’s knowledge-based economy. The letter goes on to say that private sector businesses need more human capital – now –

and they are relying upon the North Dakota University System to provide it.

The letter asks legislators to partner with the University System and the state’s business community to provide the workforce employers need. It lists eight requested adjustments to the House version of HB 1003, the NDUS budget bill, in priority order. It also emphasizes the importance of continuation of the current Centers of Excellence program and increased funding for workforce training; both are included in other agency budgets.

The complete letter appears at the end of this issue of *Legislative Review*.



The private sector is saying North Dakota needs more human capital – now – and they are saying they rely upon the North Dakota University System to provide it.

Letter to Legislators  
from the  
Chancellor's Cabinet  
March 23, 2007

**• Capital Project Amendments:**

- Removed \$1 million in state funding for a wind energy project at LRSC and increased special fund authority by the same amount
- Removed \$3.6 million in state funding for the Bismarck Family Practice Center and increased special fund authority by the same amount
- Reauthorized the 2005-07 BSC student housing project and increased authorization from \$5,027,500 to \$5,679,750 (other funds)
- Increased NDSU Bison Sports Arena spending authority from \$15 million to \$25.5 million (other funds)

**Other Amendments:**

- Amends Section 17 to limit annual tuition increases to no more than 5 percent per year, unless the SBHE receives prior Budget Section approval
- Adds a section to allow the SBHE to authorize off-campus construction of the NDSU College of Business building
- Adds a section to provide for a study of higher education and removes the study (and funding) language added by the House
- Adds a section to provide for a study of the Professional Student Exchange Program
- Adds a section of intent to allocate \$200,000 of NDUS Office carryover (previously set aside by the House for a productivity study) to MiSU-B for completing and furnishing the Thatcher Hall project
- Amends Section 26 of the engrossed bill to remove the repeal of Sections 1 and 2 of HB 1031 and to repeal Section 15-12-27 of the ND Century Code relating to NDSU’s 18th Street Development Fund

In summary, the Senate’s version of HB1003 includes a net increase in total state funds of \$2,207,558 over the House’s engrossed bill. The Senate increased base funding by \$4,451,725, added \$2.3 million one-time funding for *ConnectND* and reduced other one-time funding by \$4,544,167.

**Committee Amends HB 1487**

**HB 1487** has been amended to reflect the original intent of the bill. If approved by the Senate, HB 1487 will provide low-interest loans of 3 percent based on a \$3.1 million transfer from the Student Loan Trust Fund. This portion of the bill received "do pass amended" on a split vote.

Late Thursday afternoon, the committee voted “do pass amended” unanimously on sections of HB 1487 related to the DEAL program, including an emergency clause.

**Action on Closely Monitored Bills**

**HB 1099**, a bill that relates to confidentiality of trade secrets and proprietary information, was passed by the Senate March 16 on a vote of 44-0.

**HB 1249**, a bill that would have revised eligibility rules for the Teacher’s Loan Forgiveness Program, failed in the Senate March 15 on a vote of 20-24.

**SB 2249**, a bill that, as passed by the Senate, would provide funding to the State Board for Career and Technical Education for workforce curriculum design and development and supplemental workforce training grants, received a “do not pass” recommendation on a vote of 22-1 from the House Appropriations Committee March 19. The House had amended the bill to remove funding and transfer \$1 million from the NDUS Office budget to CTE for the grants.

**SB 2260**, a bill to provide authority for criminal history records check, was considered by the House Appropriations Committee March 21. The committee approved an amendment to remove NDUS authority to conduct national background searches on students. The bill will go to the full House in this form. The NDUS will work with the conference committee to remove the amendment.

**SB 2309**, a bill to increase high school graduation requirements, was passed by the House March 20 on a vote of 59-32. The House version increases the number of educational units required for high school graduation, but the House removed language in the bill the Senate approved mandating that the additional units be in math and science. The House also removed language establishing new higher education admission requirements.

**SB 2344**, a bill to restrict NDUS off-campus catering, was passed by the House March 21 on a vote of 80-12. As amended, SB 2344 restrictions do not apply to NDUS institutions if no one else in the community is willing or able to provide the service.

**SB 2347**, the North Dakota Promise bill, failed in the House March 22 on a vote of 28-65. SB 2347 was strongly supported by the NDUS and the private sector.

**SB 2379**, a bill to develop a nursing education consortium, was amended by the House March 19. The House amendment removes all funding from the bill, and changes language requiring UND to establish a nursing education consortium to language permitting it.

## HB 1433 Heard in Senate Appropriations

**HB 1433**, a bill to provide diabetes treatment management services for state employees and their families, was heard in the Senate Appropriations Committee March 19.

As amended by the Senate Human Services Committee, HB 1433 provides \$208,298 in state general funds and \$214,113 in other funds for the implementation of a collaborative drug therapy program under the uniform group health insurance program administered by PERS. Laura Glatt, vice chancellor for administrative affairs, testified in support of amending the bill to provide funding for NDUS employees.

## HB 1395 Funding Removed from NDUS Budget Bill

**HB 1395**, a bill to provide financial assistance to tribally controlled community colleges, was amended by the Senate Appropriations Committee March 22 and recommended for "do pass" on a split vote of 8–6.

If these amendments are adopted, HB 1395 will provide funding to the tribal colleges from general funds outside of HB 1003. Prior to this change, funding came from the State Grant Program line in the NDUS appropriations bill.

**SB 2404**, a similar bill based on general funds, failed in the House.

## Bills Failed This Week

**HB 1027:** Includes Centers of Excellence provisions and requirements

**HB 1174:** Relates to prohibiting executive branch agencies from funding salary increases through the use of funds due to vacancies

**HB 1249:** Relates to loan forgiveness for teachers

**HB 1459:** Provides an appropriation for extraordinary repairs

**SB 2347:** Relates to the North Dakota Promise grant program

**SB 2404:** Provides financial assistance to tribally controlled community colleges

## SB 2030 Amendments Include University System

As introduced, **SB 2030** addressed the administration of Joint Powers Agreements. However, the House Education Committee amended the bill this week to address a variety of issues, including a Legislative Council study of the "adequacy of high school curricula, with respect to preparing students for higher education and for the workplace" and continuation of the "P-16 education task force, as created during the 2005-06 interim" through the efforts of the joint boards.

The amendments go on to say, "The task force shall present its recommendations, together with periodic updates regarding its efforts, to the North Dakota commission on education improvement (SB 2200 Section 48) and the North Dakota legislative council."

No resources have been identified to support either of the efforts described in SB 2030.

## Bills Passed This Week

**HB 1067:** Relates to cooperation of the state forester and other agencies on fire and forest protection

**HB 1099:** Relates to confidentiality of trade secret, proprietary, commercial and financial information

**HB 1101:** Relates to services provided by in-plant print shops

**HB 1118:** Relates to the issuance of limited licenses and registrations by the board of nursing

**HB 1350:** Relates to postgraduate medical residency training program pharmacies

**HB 1479:** Directs the Legislative Council to study possible methods of growing North Dakota's population and increasing the available workforce



## The Vital Link to a Brighter Future

March 23, 2007

Dear Legislator:

The private sector and the North Dakota University System have put forth one consistent message this legislative session: The single most important factor that will determine the future success of North Dakota will be the availability of “human capital” – the talent, energy and innovation needed to compete in today’s knowledge-based economy. That is the central message emphasized by numerous private sector business representatives in testimony during this legislative session and at a Feb. 27 news conference.

In the 1980s and 1990s, North Dakota lost young people because there were no jobs. Now our state is losing jobs because we do not have enough qualified people to fill them. The private sector is saying North Dakota needs more human capital – now – and they are saying they rely upon the North Dakota University System to provide it.

As chancellor and CEOs of the state’s 11 public colleges and universities, it is both our responsibility and desire to provide the workforce employers need in partnership with our state’s business community and the legislature. Together we can address the largest decline in young adults of any state in the nation and create a brighter future for the people and state of North Dakota.

We need your help. To enhance the economy of North Dakota, we encourage your strategic investment in a 2007 – 09 NDUS budget that includes the following adjustments to the House version of HB 1003 in priority order:

1. Restore \$4.2 million in state general funds to provide 5 percent annual salary increases for faculty and staff, as originally included in the executive budget; even with this level of funding, some institutions will be faced with reallocations and reductions to meet increased costs next biennium.
2. Fund the state health insurance plan at the level needed to maintain the current level of benefits for all state employees
3. Add \$2.4 million to provide adequate *ConnectND* funding to stabilize and enhance performance of the system and to maintain a balanced budget and positive cash flow through 2007-09 or 2009-11, depending upon the level of base and one-time funding
4. Add \$400,000 in base funding and \$373,800 in one-time funding to complete the installation of the Northern Tier Network and to cover ongoing maintenance costs for one year of the biennium

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The North Dakota University System is governed by the State Board of Higher Education and includes:  
Bismarck State College • Dickinson State University • Lake Region State College • Mayville State University •  
Minot State University • Minot State University-Bottineau Campus • North Dakota State College of Science •  
North Dakota State University • University of North Dakota • Valley City State University • Williston State College.

5. Add \$200,000 to the SBHE Contingency and Capital Improvement Emergency Fund to restore funding to the 2005-07 funding level of \$496,482
6. Add \$1,791,174 to the SBHE Initiative Fund to restore funding to the 2005-07 funding level to support cost-saving projects and collaborative initiatives among the institutions
7. Add \$308,000 in funding to allow the addition of a full-time CTEC director
8. Add \$200,000 to the Operations Pool to restore funding to the 2005-07 funding level of \$344,559

Other important funding investments are continuation of the current Centers of Excellence program and increased funding for workforce training, both of which are included in other agency budgets and need your support.

Respectfully submitted by,

Eddie V. Dunn, Chancellor  
North Dakota University System

Dr. Larry Skogen, President  
Bismarck State College

Dr. Lee Vickers, President  
Dickinson State University

Dr. Sharon Etemad, President  
Lake Region State College

Dr. Gary Hagen, President  
Mayville State University

Dr. David Fuller, President  
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Dr. Ken Grosz, Campus Dean  
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