

# Legislative Review

A Look at Higher Education in Week 13: April 1-8, 2011



**Monday,  
April 11**

The 65th day of the  
2011 Legislative Session

## House Concurrent Resolution 3046 Fails in the Senate

**HCR 3046** failed in the Senate April 6 on a vote of 7-40 after a 0-7 “do not pass” recommendation by Senate Education April 5.

The resolution would have amended the North Dakota Constitution to eliminate the State Board of Higher Education, the North Dakota University System chancellor and the superintendent of public instruction. A single Department of Education would have been created to oversee and administer all public education in North Dakota, including early childhood, K-12 and higher education, effective Jan. 1, 2015.

The April 4 committee hearing included strong testimony opposing the concurrent resolution. Comments were provided by Rep. Rick Holman, Mayville; Wayne Sanstead, superintendent of public instruction; Jon Backes, SBHE president; David Fuller, MiSU president; Bill Goetz, NDUS chancellor; William Woodworth, NDSA president-elect; Robert Vallie, NDSU student government; Dakota Draper, North Dakota Education Association; and Doug Johnson, North Dakota Council of Educational Leaders.

## HB 1003 Amended, Approved by Senate Appropriations

Senate Appropriations amended and approved **HB 1003**, the NDUS budget bill, April 4 on a vote of 12-1.

After a vote by the full Senate, a conference committee is expected to meet to reconcile the two versions of the bill.

The Senate version of the bill allocates \$644.6 million in state general fund for 2011-13, compared to the \$615.4 million approved by the House, a difference of \$29.2 million (including capital projects). The executive recommendation includes \$648.2 million or \$3.6 million more than the Senate version.

Highlights of the Senate general fund amendments to the House version:

- Restore \$6.6 million for college affordability
- Restore \$10 million in equity funding; did not restore \$5 million in performance or outcome-based funding
- Restore \$1 million in 2009-11 base funding for STEM Teacher Education (\$250,000 each at DSU,

MaSU, VCSU and MiSU); did not restore \$250,000 each at UND and NDSU

- Reduce \$200,000 from NDUS Office budget
- Restore \$1 million from the Permanent Oil Tax Trust Fund for tribal college grants
- Add \$700,000 in one-time funding for DSU operations because of a projected decline in oil revenues
- Add \$32,126 for special assessment payments at BSC
- Shift \$607,609 from UND to NDSU to split funding for the joint master’s degree in public health
- Provide \$3 million in general funds and \$1.335 million in other funds for fourth-floor completion of the BSC NECE
- Add other-fund authority of \$7.7 million for the UND research facility
- Remove \$8.18 million in general funds for the NDSCS Old Main project; \$10.5 million remains in the bill for Bisek Hall
- Add \$5 million in state funding and \$8.7 million in other funds for the MiSU geothermal project
- Add \$10.5 million in state funding for the VCSU Rhoades Science Center
- Add \$700,000 in state funding for DCB general campus improvements
- Add carryover authority for NDSU Minard Hall
- Add intent permitting the SBHE to transfer \$1.8 million from the joint IT facility to the SOMHS for additional medical school student and residency slots
- Increase SBHE compensation from \$100 to \$148 per day
- Add language stating that a legislative management committee shall consider studying “programs offered by NDUS institutions that address the workforce needs of the state, including a review of the use of graduated tuition rates to increase enrollment in programs that address workforce needs”.
- Add a \$100,000 appropriation to Legislative Council for costs associated with a legislative management study of the UND SOMHS

## SBHE Members Confirmed by the Senate

SBHE members Terry Hjelmstad and Grant Shaft were confirmed by the Senate March 21. Their terms will begin July 1, 2011. Shaft is the current SBHE vice president and was first appointed to the board in July 2007.

SBHE members Kirsten Diederich and Duaine Espeguard were confirmed earlier in the legislative session. Their terms began July 1, 2010. Espeguard is the current chair of the Budget, Audit and Finance Committee and was first appointed to the board in 2007.

Each prospective board member appeared before a separate committee of four senators on Feb. 9 or Feb. 10.

## NDSU Ag Bill Amended, Approved by Senate Appropriations Committee

**HB 1020**, the NDSU Ag budget bill, was approved by Senate Appropriations April 6.

Senate amendments to the House version of the bill:

- Stagger the terms of Northern Crops Council members in the 2011-13 biennium
- Restore the \$250,000 and one FTE cut by the House for livestock stewardship in the Extension budget
- Add \$100,000 in the Extension budget for soil conservation, bringing the total to \$987,800 (an increase of \$150,000 for the 2011-13 biennium)
- Remove the \$2.2 million added by the House for the Carrington REC capital project
- Remove \$125,000 and one FTE added by the House for the State Data Center from the Main Research Center
- Add \$200,000 for grape grower research to the Main Research Center
- Add \$240,000 and two FTEs for animal productivity and livestock stewardship Main Research Center
- Remove \$830,000 for Gearing Up for Kindergarten from the Extension budget

## Senate Approves “Flexibility with Accountability” Bills

Three bills that continue the “flexibility with accountability” provisions of the Roundtable on Higher Education were approved by the Senate April 6.

These bills were supported by the SBHE. Bill descriptions and vote tallies follow:

**HB 1033:** Provides block grants for base funding – 45-1

**HB 1034:** Permits the carryover of unexpended funds from one biennium to the next – 47-0

**HB 1035:** Appropriates tuition revenues in the same manner as all other institutional funds – 46-1

Prior to passage, Senate Appropriations amended HB 1033 to include a 2011-12 legislative management study of higher education conducted by an interim higher education committee, which may hold educational summit meetings to discuss topics including:

- Alternative uses of institutions and changes to institutional missions
- Issues affecting two-year campuses
- Tuition affordability, including a review of tuition reciprocity agreements
- Accessibility of higher education
- Workforce needs
- Contributions to economic development
- Utilization and capacity of higher education institution facilities
- Quality of education being delivered
- Revenue-neutral policies that would aid in the reduction of student loan debt

## Higher Ed Commission Bill Defeated

**SB 2300**, a bill to create a commission on higher education funding, failed in the House April 4 on a vote of 38-54.

The primary function of the commission would have been to examine alternative methods for funding higher education. The SBHE supported this bill proposed by Gov. Dalrymple.

## Higher Ed Funding Included in Commerce Budget Bill

**HB 1018**, the Department of Commerce budget bill, was approved by the Senate April 7 on a vote of 44-3.

Amendments that directly impact the NDUS include:

- \$150,000 for an electronic portfolio pilot program (formerly included in **SB 2056**)
- \$13 million for Centers of Research Excellence: Eligible institutions include research universities and nonprofit research university-related foundations; up to \$1 million may be used for eminent researcher recruitment
- Up to \$4 million for Entrepreneurial Centers development grants: Eligible institutions include NDUS institutions that are not research universities
- \$2 million for workforce enhancement grants: Eligible institutions include NDUS institutions assigned primary responsibility for workforce training
- \$900,000 for Operation Intern

## Passed Bills

- HB 1213:** Adds a campus staff representative to attend SBHE meetings
- HB 1261:** Eliminates the legislative compensation committee
- HB 1396:** Allows public libraries, archives or museums to designate records as exempt at the donor's request

## Failed Bills

- HB 1369:** Would have added new accountability measures related to non-instructional costs and non-resident students
- HCR 3046:** Would have eliminated the SBHE, chancellor, DPI superintendent and would have created a new department of education with director to administer and oversee all state public education
- SB 2300:** Would have created a Commission on Higher Education Funding
- SCR 4011:** Would have provided for an interim legislative study of creating a 25-year vision plan for state facilities