



HIGHER EDUCATION COMMITTEE

Wednesday September 7, 2022

Old Main entrance, Mayville State University

Mayville, North Dakota

Thursday, September 8, 2022

Room 220, Memorial Union, University of North Dakota

Grand Forks, North Dakota

Representative Mark Sanford, Chairman, called the meeting to order at 10:35 a.m.

Members present: Representatives Mark Sanford, Larry Bellew, LaurieBeth Hager, Karla Rose Hanson, Zachary Ista, Dennis Johnson, Bob Martinson, Gary Paur, Brandy Pyle, David Richter, Mike Schatz, Cynthia Schreiber-Beck; Senators JoNell A. Bakke, Robert Erbele, Karen K. Krebsbach, Dave Oehlke, Jim P. Roers

Member absent: Representative Jay Fisher

Others present: Senator Don Schaible, Mott, member of the Legislative Management Representative Emily O'Brien and Senator Curt Kreun, Grand Forks
See [Appendix A](#) for additional persons present.

It was moved by Senator Oehlke, seconded by Representative Schreiber-Beck, and carried on a voice vote that the minutes of the June 20-21, 2022, meeting be approved as distributed.

Dr. Brian Van Horn, President, Mayville State University, commented regarding the history of the university, including the Old Main building. He noted Old Main was originally constructed in 1895.

The committee toured the campus, including Old Main.

The committee recessed at 11:30 a.m.

The committee reconvened at 2:00 p.m. In Room 220, Memorial Union, University of North Dakota (UND), Grand Forks.

Dr. Andrew Armacost, President, University of North Dakota, presented information ([Appendix B](#)) regarding UND. He noted a goal in the campus master plan is to reduce the institution's footprint by 2 million square feet, reducing deferred maintenance by \$550 million, and to consolidate UND's academic programs to the "historic quad" area, which indicates Twamley Hall, Merrifield Hall, the Nistler College of Business and Public Administration, the Chester Fritz Library, the School of Law, O'Kelly Hall, Gillette Hall, the Education Building, and Babcock Hall.

Mr. Mike Pieper, Associate Vice President for Facilities, University of North Dakota, commented regarding UND's public-private partnership with Johnson Controls for the steam plant.

Dr. Eric Link, Vice President for Academic Affairs and Provost, University of North Dakota, commented regarding the future of enrollment, including changing demographics.

The committee toured UND, including Memorial Union, Chester Fritz Library, the Nistler College of Business and Public Administration, and Merrifield Hall.

The committee recessed at 5:00 p.m.

The committee reconvened at 8:00 a.m. on Thursday, September 8, 2022.

Dr. Dave Molmen, Chair, University of North Dakota School of Medicine and Health Sciences Advisory Council, presented information ([Appendix C](#)) regarding the UND School of Medicine and Health Sciences (SMHS). He noted the state has more physicians per 10,000 people than previous years, but fewer compared to the Midwest and the United States as a whole. He indicated UND SMHS research is growing substantially, as grants and contracts have doubled over the past decade.

Mr. David Krebsbach, Vice Chancellor for Administrative Affairs and Chief Financial Officer, North Dakota University System, presented information ([Appendix D](#)) regarding transfers from an institution's operations line item to the capital assets line item. He noted Valley City State University transferred \$816,638 from its operations line item to the capital assets line item for deferred maintenance projects, including roof repairs, classroom and office remodels, and sidewalk replacement.

Ms. Brenda Zastoupil, Director of Financial Aid, North Dakota University System, presented information ([Appendix E](#)) regarding the skilled workforce scholarship and loan repayment programs, known as the career builders program. She noted:

- The career builders scholarship and loan repayment programs target in-demand occupations identified by the North Dakota Workforce Development Council, including occupations in education, engineering and architecture, information technology, health care, transportation, and skilled trades;
- Career builders scholarships were awarded to 160 applicants, with an average award of \$6,187;
- A total of \$989,941 in scholarships has been committed through the program;
- Matching funds for the scholarships were received from 66 donors;
- 104 scholarship recipients graduated and are working in the state, 40 are active in the program, and 16 defaulted;
- Career builders loan repayment was awarded to 55 applicants, with an average award of \$14,262;
- A total of \$784,404 in loan repayments has been committed through the program;
- Matching funds for the loan repayments were received from 17 donors; and
- 48 loan repayment recipients remain employed, 2 are paid in full, and 5 did not continue employment.

In response to questions from committee members, Ms. Zastoupil noted:

- Law enforcement is eligible as an in-demand occupation; however, the private sector matching funds requirement has been a challenge for awarding funds to law enforcement and teachers under the career builders program.
- The University System is seeking to maintain the career builders program and continue it in the 2023-25 biennium.

Ms. Katie Ralston Howe, Workforce Division Director, Department of Commerce, presented information ([Appendix F](#)) regarding information technology workforce needs. She noted:

- The state has 619 openings, total employment of 6,780, and an average salary of \$73,050 in the information technology field.
- There is an anticipated growth rate of 14.1 percent in the information technology field by 2030, but indicated that every job is becoming a technology job as every field requires some skill with the use of technology.

Dr. Mark R. Hagerott, Chancellor, North Dakota University System, commented regarding inflation and the need for digital learning.

Dr. Jerry Rostad, Vice Chancellor of Strategy and Strategic Engagement, North Dakota University System, presented information ([Appendix G](#)) regarding the Dakota Digital Academy (DDA). He noted:

- The DDA was established to coordinate, expand, and enhance educational opportunities in computer science in North Dakota and the upper Midwest.
- Four staff members work part-time on the DDA initiative.

Dr. Kendall Nygard, Director, Dakota Digital Academy, commented regarding the DDA. He noted:

- The DDA provided 28 faculty grants for the fall 2020 semester to develop DDA courses and certificates at nine institutions.
- The DDA has helped to establish accelerated summer certificate programs in software development and cybersecurity, which included 304 students enrolled in 15 online courses at six University System institutions.

Ms. Lisa Johnson, Vice Chancellor for Academic and Student Affairs, North Dakota University System, presented information ([Appendix H](#)) regarding enrollment and graduation trends in information technology programs. She noted there were 969 students enrolled in computer science fields and 239 graduated during the 2021-22 academic year.

Mr. Joe Kolosky, Director, School Approval and Opportunity, Department of Public Instruction, presented information ([Appendix I](#)) regarding teacher shortages and the teacher shortage loan forgiveness program. He noted:

- The program was transferred from the University System office to the Department of Public Instruction (DPI) in 2019 and the goal of the program was to repay loans for teachers in moderate to extreme rural areas and those who work in a shortage field.
- 269 teachers originally qualified and received loan forgiveness payments totaling \$2 million.
- The program increased 1-year teacher retention in general, but the 2- and 3-year retention benefits were most evident among more experienced teachers.

Ms. Laurie Matzke, Assistant Superintendent, Department of Public Instruction, presented information ([Appendix J](#)) regarding the education pathways program and teacher shortage grant opportunities. She noted:

- The teacher shortage is a pervasive problem affecting all states nationwide.
- DPI has established a teacher shortage grants program and a teacher apprenticeship initiative to help address the teacher shortage.
- DPI used federal Elementary and Secondary School Emergency Relief (ESSER) funds to establish the teacher shortage grants program, which provides scholarships to school paraprofessionals enrolled in teacher education programs.
- The available federal funding will be used by September 2024.
- DPI also is using federal ESSER funds to establish North Dakota teacher apprenticeships as eligible for federal apprenticeship funding.

Ms. Johnson presented information ([Appendix K](#)) regarding enrollment and graduation trends in teacher education programs. She noted there were 1,437 students enrolled in teacher education undergraduate programs and 592 graduated during the 2021-22 academic year.

Ms. Johnson presented information ([Appendix L](#)) regarding financial aid targeted to students who have ceased enrollment without a degree. She noted individual University System campuses may have scholarships targeting students who have ceased enrollment without a degree, but there is no systemwide scholarship, coordinated marketing effort, or outreach to encourage these individuals to re-enroll.

Ms. Johnson presented information ([Appendix M](#)) regarding direct admissions. She noted:

- This program would provide letters to high school students indicating they have met the criteria for admission to participating colleges or universities and outlining the next steps in the application process.
- Legislation would not be necessary for the University System to enact this program; however, a legislative statement of support for the program could be helpful.

Ms. Johnson presented information ([Appendix N](#)) regarding matching funds for workforce innovation. She noted:

- The challenge grant program could be expanded to support workforce innovation.
- The eligible uses for challenge grant funding could be expanded to include the development of curriculum, the purchase of equipment and technology, and other costs associated with new or expanding educational programs to meet workforce needs.

Mr. Alex J. Cronquist, Senior Fiscal Analyst, Legislative Council, presented a bill draft [\[23.0132.01000\]](#) regarding the capital building fund program. He noted the bill would:

- Reduce the Tier I matching requirements to \$1-\$1 for the nine nonresearch University System institutions;
- Double funding for Tier II of the capital building fund program from \$10 million to \$20 million;
- Restrict the use of Tier II and Tier III funding to extraordinary repairs and deferred maintenance projects for academic facilities, unless legislatively approved; and
- Require institutions to identify matching funds for future capital project requests submitted during the budget process.

It was moved by Senator Krebsbach, seconded by Senator Bakke, and carried on a roll call vote that the bill draft [\[23.0132.01000\]](#) regarding the capital building fund program be approved and recommended to the Legislative Management. Representatives Sanford, Hager, Hanson, Ista, Johnson, Martinson, Paur, Pyle, Richter, and Schreiber-Beck and Senators Bakke, Erbele, Krebsbach, Oehlke, and Roers voted "aye." Representatives Bellew and Schatz voted "nay."

Chairman Sanford suggested the committee not consider bill draft [\[23.0133.01000\]](#) regarding the professional student exchange program repayment provision. He indicated the bill draft would be revised and considered for introduction to the 2023 Legislative Assembly by an individual legislator.

Mr. Cronquist presented a bill draft [\[23.0134.01000\]](#) regarding financial aid program technical corrections requested by the University System office. He noted the bill would:

- Continue the skilled workforce student loan repayment and scholarship programs;
- Clarify eligibility and the award amount for the dual-credit scholarship;
- Clarify eligibility for the scholars program;
- Rename the Indian scholarship to the Native American scholarship; and
- Provide for the University System office to continue to administer the academic and career and technical education scholarship program for current award recipients.

It was moved by Senator Erbele, seconded by Representative Paur, and carried on a roll call vote that the bill draft [\[23.0134.01000\]](#) regarding financial aid program technical corrections be approved and recommended to the Legislative Management. Representatives Sanford, Bellew, Hager, Hanson, Ista, Johnson, Martinson, Paur, Pyle, Richter, Schatz, and Schreiber-Beck and Senators Bakke, Erbele, Krebsbach, Oehlke, and Roers voted "aye." No negative votes were cast.

Mr. Cronquist presented a bill draft [\[23.0152.01000\]](#) regarding needs-based student financial assistance grants, the academic and career and technical education scholarship, and the dual-credit tuition scholarship. He noted the bill would:

- Increase the annual needs-based student financial assistance grant award from \$2,200 to \$3,300 per year;
- Provide \$12 million in additional funding for a total of \$35.9 million from the general fund for student financial assistance grants to support the increased award;
- Provide \$1 million in additional funding for a total of \$17.2 million from the general fund for academic and career and technical education scholarships to meet estimated program needs for the 2023-25 biennium; and
- Provide \$1.5 million from the Bank of North Dakota to continue the dual-credit tuition scholarship program.

It was moved by Senator Bakke, seconded by Representative Johnson, and carried on a roll call vote that the bill draft [\[23.0152.01000\]](#) regarding needs-based student financial assistance grants, the academic and career and technical education scholarship, and the dual-credit tuition scholarship be approved and recommended to the Legislative Management. Representatives Sanford, Hager, Hanson, Ista, Johnson, Martinson, Paur, Pyle, Richter, Schatz, and Schreiber-Beck and Senators Bakke, Erbele, Krebsbach, Oehlke, and Roers voted "aye." Representative Bellew voted "nay."

Mr. Cronquist presented a bill draft [\[23.0157.01000\]](#) regarding financial aid targeted to nontraditional students without a degree. He noted the bill includes an appropriation of \$1 million from the general fund to establish a \$1,000 scholarship for residents of the state age 26 years or older to enroll in a University System institution.

Chairman Sanford noted the bill draft does not target a specific workforce area and should be revised and considered for introduction to the 2023 Legislative Assembly by an individual legislator.

Mr. Cronquist presented a bill draft [\[23.0158.01000\]](#) regarding financial aid targeted to students enrolled in certificate programs in high-need areas. He noted the bill includes an appropriation of \$1 million from the general fund to establish a \$500 scholarship for residents of the state enrolled in educational programs for commercial driver's license and certified nursing assistant certificates.

It was moved by Representative Hanson, seconded by Senator Krebsbach, and carried on a roll call vote that the bill draft [\[23.0158.01000\]](#) regarding financial aid targeted to students enrolled in certificate programs be approved and recommended to the Legislative Management. Representatives Sanford, Hager, Hanson, Ista, Johnson, Martinson, Paur, Richter, and Schreiber-Beck and Senators Bakke, Krebsbach, Oehlke, and Roers voted "aye." Representatives Bellew, Pyle, and Schatz and Senator Erbele voted "nay."

Mr. Cronquist presented a bill draft [\[23.0159.01000\]](#) regarding financial aid targeted to paraprofessionals enrolled in a teacher education program. He noted the bill includes an appropriation of \$3 million from the general fund to DPI to provide grants to accredited institutions of higher education to assist paraprofessionals to become qualified teachers.

It was moved by Senator Bakke, seconded by Representative Schreiber-Beck, and carried on a roll call vote that the bill draft [\[23.0159.01000\]](#) regarding financial aid targeted to paraprofessionals enrolled in a teacher education program be approved and recommended to the Legislative Management. Representatives Sanford, Hager, Hanson, Ista, Johnson, Martinson, Paur, Pyle, Richter, and Schreiber-Beck and Senators Bakke, Erbele, Krebsbach, Oehlke, and Roers voted "aye." Representative Schatz voted "nay."

Mr. Cronquist presented a bill draft [\[23.0155.01000\]](#) regarding the reinstatement of the teacher shortage loan forgiveness program. He noted the bill draft:

- Would reinstate the teacher shortage loan forgiveness program under DPI with no limit on the number of teachers from each school district who would be eligible.
- Includes an appropriation of \$3 million from the general fund and would provide a maximum annual award of \$5,000 for a maximum of 4 years.

It was moved by Senator Krebsbach, seconded by Senator Bakke, and carried on a roll call vote that the bill draft [\[23.0155.01000\]](#) regarding the teacher shortage loan forgiveness program be approved and recommended to the Legislative Management. Representatives Sanford, Hager, Hanson, Ista, Johnson, Martinson, Paur, Pyle, Richter, and Schreiber-Beck and Senators Bakke, Erbele, Krebsbach, Oehlke, and Roers voted "aye." Representative Schatz voted "nay."

Mr. Cronquist presented a bill draft [\[23.0156.01000\]](#) regarding the higher education challenge grant program. He noted the bill draft would:

- Appropriate \$24 million for the higher education challenge grant program for the 2023-25 biennium, an increase from the \$11.15 million appropriated for the 2021-23 biennium.
- Expand the allowable uses of challenge grant funds to include endowed faculty and costs related to new or expanding educational programs.

It was moved by Senator Krebsbach, seconded by Senator Bakke, and carried on a roll call vote that the bill draft [\[23.0156.01000\]](#) regarding the higher education challenge grant program be approved and recommended to the Legislative Management. Representatives Sanford, Hager, Hanson, Ista, Johnson, Martinson, Paur, Pyle, Richter, and Schreiber-Beck and Senators Bakke, Krebsbach, and Oehlke voted "aye." Representative Schatz and Senators Erbele and Roers voted "nay."

It was moved by Representative Martinson, seconded by Representative Schreiber-Beck, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and the bill drafts recommended by the committee, to present the report and recommended bill drafts to the Legislative Management, and that the committee be adjourned sine die.

No further business appearing, Chairman Sanford adjourned the committee sine die at 12:45 p.m.

Alex J. Cronquist
Senior Fiscal Analyst

ATTACH:14