

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2037

2001 SENATE APPROPRIATIONS

SB 2037

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2037

Senate Appropriations Committee

Conference Committee

Hearing Date January 15, 2001

Tape Number	Side A	Side B	Meter #
Tape #2	x		13.6 -43.6
Committee Clerk Signature <i>Orville Pietsch</i>			

Minutes:

Senator Nething opened the hearing on SB2037.

Craig Caspers, President of the State Board of Higher Education (SBHE) testified in support of SB2037; also SB2038 and SB2040 ( a copy of written testimony is attached).

Senator Solberg: Are you familiar with the funding framework in South Dakota?

Craig Caspers: No sir, I'm not.

Larry Isaak, Chancellor of the North Dakota University System (NDUS) testified in support of SB2037 ( a copy of his written testimony is attached).

Senator Heitkamp: Does this bill allow you to raise tuition and keep the dollars?

Chancellor Isaak: Correct.

Senator Heitkamp: Is it possible for an institution to go higher than SBHE has approved for tuition?

Chancellor Isaak: SBHE approves the basic tuition on an annual basis; early in spring so that the rates can go into effect during fall semester. Some exceptions would be in the area of distance learning -- which would be nothing less than resident tuition, with Chancellor approval.

Senator Heitkamp: Fees not here?

Chancellor Isaak: That's correct.

Ellen-Earle Chaffee, President of Mayville State and Valley City State Universities, testified in support of SB2037 ( a copy of her written testimony is attached).

Joseph Chapman, President of North Dakota State University, testified in support of SB2037. He indicated it would provide leverage for programs; NDSU always keeps the students central to all decisions. The amount of resources, or lack of resources, including grants --- all give us more flexibility to manage our funds in a more business like manner. For example: the success of our technology park. Keeping the tuition allows us more flexibility when planning new programs, adding additional sections...this all fits the flavor of our campus.

Senator Nething: Flexibility, but with accountability, standards considered? You, as the head of the institution feel comfortable with it; but how would this line up with faculty and staff -- think it is in fairness to them -- do they agree to meeting those standards?

President Chapman: Many of our faculty and staff indicate that they feel this is an empowering process; they like the flexibility and are comfortable with the accountability part. Only positive remarks have been heard on campus; they indicate they would enjoy showing what they can do.

Senator Nething: Responsibility? High when you consider if one institution "blows it" it's gone for the whole system, problems there?

President Chapman: We/they are well aware of that fact. We have our own internal auditing process and are very serious about the accountability of our actions.

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Senate Appropriations Committee

Bill/Resolution Number SB2037

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Dale O. Anderson, President, GNDA, testified in support of SB2040. As he had indicated when testifying on SB2003 and the Roundtable report -- this is a critical part of moving forward. The University System working with businesses is the key to everyone's success. We are very supportive of the System's efforts.

Senator Bowman: Believe this will allow the University System to help in adapting to the growth of North Dakota? Working in partnerships with industries and businesses? Flexibility can fill the need? Give the appropriate tools to do the job? Will it complement other efforts?

Dale O. Anderson: Recommendations have critical ingredients for developing a strong economy in North Dakota; partnerships which have the same vision -- knowing the rules by which all play by. Each will complement the other, and we support it.

Hearing closed as no more requests to testify, for or against SB2037.

→ Full Committee - February 7, 2001 (Tape 1, Side B, Meter No. 19.5-22.6)

Senator Nething reopened the hearing on SB2037.

Senator Nething, Chair of the Higher Education Subcommittee, indicated SB2037 and SB2038 were considered in the SB2003 appropriation.

No questions, nor discussion.

Senator Solberg moved a DO NOT PASS; seconded by Senator Bowman; motion carried.

Roll Call Vote: 11 yes, 0 no, 3 absent and not voting. Senator Solberg accepted the floor assignment.

**FISCAL NOTE**  
 Requested by Legislative Council  
 12/22/2000

**REVISION**

Bill/Resolution No.: SB 2037

Amendment to:

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$0	(\$767,000,000)	\$0	\$0

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Slight reduction in accounting and reporting costs since funds no longer need to be submitted to and drawn down through the Office of Management and Budget.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Tuition and miscellaneous income currently appropriated as estimated income; and local funds, including room and board revenues, gifts, financial aid, federal grants and contracts, and other income, appropriated in a special line item would be retained at the campus level and not be specifically appropriated by the

legislature. Rather these non-state general fund sources of revenues would be appropriated through a continuing appropriation. Unexpended funds at the end of the biennium would remain at the campus. This is consistent with the specific recommendation of the Roundtable as follows: "Executive and Legislative branches:

- a. Remove all income, including tuition, which is in addition to the state general fund appropriation, from the specific appropriation process.
- b. Modify processes to provide campuses budgetary flexibility by: removing restrictions on the use of carryover funds from one biennial period to the next."

Allowing campuses to retain revenues locally creates additional operating flexibility and will allow campuses to be more entrepreneurial and able to maximize the use of all funds.

(01-03 amounts reflect tuition, miscellaneous income, local funds and carryover, except major capital projects funded from other fund sources, included in the 01-03 needs-based budget request submitted by the State Board of Higher Education.)

<b>Name:</b>	Laura Glatt	<b>Agency:</b>	North Dakota University System
<b>Phone Number:</b>	328-2960	<b>Date Prepared:</b>	01/04/2001

## FISCAL NOTE

Requested by Legislative Council  
12/14/2000

Bill/Resolution No.: SB 2037

Amendment to:

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$0	\$0	\$0	\$0

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

**No fiscal impact.** Tuition revenues currently appropriated as estimated income and local funds, including room and board revenues; gifts, financial aid and federal grants and contracts, appropriated in a special line item would be retained at the campus level. These non-state general fund sources would be appropriated through a continuing appropriation. Unexpended funds at the end of the biennium would remain at the campus. This is consistent with the specific recommendation of the Roundtable as follows: "Allowing campuses to retain revenues locally creates additional operating flexibility and will allow campuses to be more entrepreneurial and able to generate additional revenues."

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Slight reduction in accounting and reporting costs since funds no longer need to be submitted to and drawn down through the Office of Management and Budget.



