

# Higher Education at a Crossroad

The North Dakota Higher  
Education Roundtable

April 3, 2006



# Introductions

(Dr. Sharon Etemad)

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*Politics, Economic Development and Higher Education:  
The North Dakota Reform Effort*

**Panel Participants**

Ms. Pam Kostelecky, President and General Manager Sax Motor Company,  
President North Dakota State Board of Higher Education

Senator Ray Holmberg, North Dakota State Senator,  
Chair of the Higher Education Roundtable,  
Chair of Senate Appropriations Committee

Mr. Eddie Dunn, Vice Chancellor for Strategic Planning,  
North Dakota University System

Dr. Sharon Etemad, President, Lake Region State College

Mr. Roger Reiersen, CEO, Flint Communications, Board Member, The Higher  
Learning Commission, Member, ND Roundtable on Higher Education

# *The North Dakota Condition in 1998*

(Pam Kostecky)

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## *The North Dakota Condition in 1998*

- ❖ Struggling Economy
- ❖ North Dakota University System (NDUS) not viewed as a player in state's economic future
- ❖ Extreme oversight of fiscal and administrative affairs of higher education- "gotcha mentality"
- ❖ A risk-adverse environment
- ❖ Legislative focus on budget only
- ❖ No common vision for NDUS
- ❖ Public and Private sectors working in isolation of each other
- ❖ NDUS viewed as financial burden to the state
- ❖ Constitutional amendment aimed at closing campuses failed in 1998
- ❖ Higher Ed. leaders confused about policymakers expectations

## *So, what happened?*

- ❖ Legislators calling for special study of higher education
- ❖ Study would have been same old traditional look at funding, governance duplication, etc, etc.
- ❖ However legislation created a roundtable that should look into the future and define:
  - 1) Expectations of the NDUS in meeting state needs in 21st century
  - 2) Accountability system aligned with these expectations
  - 3) Funding methodology to meet expectations
- ❖ First Meeting of Roundtable didn't discuss higher education, instead the meeting focused on:
  - 1) Trends shaping the state's future
  - 2) Global circumstances
  - 3) Technology impact
  - 4) Demography
  - 5) How can state's economy compete and what has to change?



*Clear answers emerged*



**In the absence of overt action, the state would:**

Continue to lose population and experience brain drain

Fall farther behind in per capita income and quality of life

Be unable to compete in new information based economy

**URGENT** and **BOLD** action needed!

*Consensus: NDUS should focus its assets and talents*

- ❖ Promoting expansion and diversification of state's economy
- ❖ Enhancing quality of life of state's citizens
- ❖ Engaged at every level with needs and problems of the state and citizens
- ❖ Becoming academically competitive, nationally and internationally
- ❖ Accessible and responsive to all citizens of the state, both individual and corporate

*Suddenly, the lights came on...*



A new vision emerged for the NDUS.

# The Roundtable Vision

(Eddie Dunn)

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# KEY STAKEHOLDERS INVOLVED:

## 61 state leaders

- 21 legislators
- 14 leaders from the private sector
- 8 members of the State Board of Higher Education
- 6 college presidents, including private and tribal
- 6 government leaders
- 5 faculty members
- 2 students (including student board member)

# GOAL OF THE ROUNDTABLE

“To enhance the economic vitality of North Dakota and the quality of life of its citizens through a high quality, more responsive, equitable, flexible, accessible, entrepreneurial, and accountable University System.”

# SIX CORNERSTONES

1. Economic Development Connection
2. Education Excellence
3. Flexible and Responsive System
4. Accessible System
5. Funding and Rewards
6. Sustaining the Vision

# RECOMMENDATIONS

*Major recommendations assigned to the key stakeholders*

- SBHE
- Executive Branch
- Legislative Branch
- The North Dakota University System
- Campuses
- Private Sector

# ACCOUNTABILITY MEASURES

- By Cornerstone
- Theme Song – Flexibility with Accountability
- Annual Report
- Campus Alignment Plans

# MOVING PLAN INTO PLACE

- Roundtable initial work completed in May 2000
- Roundtable legislation passed in 1999
- Bumps along the way
- In the end....



# ROUNDTABLE GOAL

## Becomes the Vision

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Wouldn't dare!

New Claim – The University System is the Vital  
Link to a Brighter Future

# CRITICAL SUCCESS FACTORS

1. Private sector involvement and leadership
2. Common vision
3. The process

# The Legislative Perspective

(Ray Holmberg)

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# In case you forget who we are:

- According to Scott Adams anyway



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# Legislative attitude: YESTERDAY



- 150 different visions of what a university system should be
- System seen as a financial burden
- Out-of-state students viewed as “Pick-pockets”
- Study, study, study.
- Number of institutions: “If we’d only close some”
- 1998 vote of people opened way for change



**“YOU DON’T GO BACK  
AND CHECK ON A  
DEAD SKUNK”**

# Legislative attitude: TODAY

- Not an Adam Smith, “laissez faire” philosophy. The Legislature stepped back, but expects the board to step up !
- Structure in place for a true unified system vs. yesterdays series of fiefdoms
- Time for a tune-up



Legislatures don't "enact"  
comprehensive change,  
they give birth to it !

## OUR OPINION:

# Legislature threatens higher ed

***Bullying could destroy the “roundtable” approach in favor of a discredited way to fund the state’s colleges.***

Leadership in the North Dakota House of Representatives has issued an ultimatum that threatens the state’s higher education system.

This is such a misguided and dangerous notion that it will require restraint to discuss it. At the outset, however, it must be clear that...this...is a threat...to the entire university system.

—*Grand Forks Herald, March 13, 2005*

## Forum editorial: Higher ed's flexibility has worked

- Higher education in North Dakota is at a crossroads because of the unprecedented progress made in the last few years at the two big research universities.
- Decisions made today about the future of higher education will determine if that progress will continue at a pace to keep North Dakota campuses competitive on the national scene.

—*The Fargo Forum, March 26, 2006*

# RESULTS

- Enrollment growth
- Research dollars up
- More ND residents staying in state
- More out-of-state students staying

## 2005-06 Study

- Driving stagecoach
- Consultant hired, MGT “revisit the roundtable”
- Study financing, accountability measures, i.e.... how are we doing
- Report delivered March 15, 2006

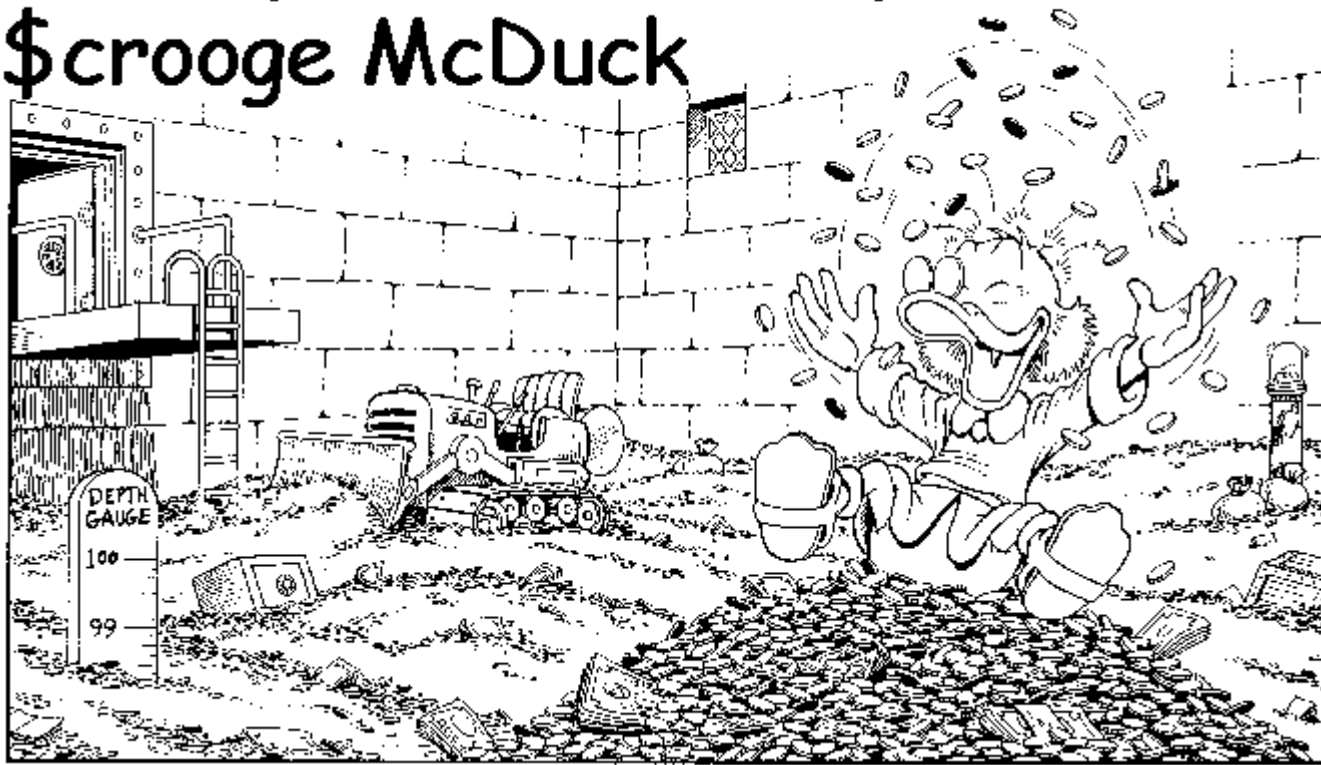
# MGT Report

- Still the gold standard
  - ND at top of states in per-capita effort & percent of general fund going to higher ed., etc.
- Needs some tune-up
  - Equity issue needs work
  - Fewer accountability measures
  - More general fund dollars suggested
  - Student aid needs adjusting

# Legislative: CHALLENGES

- Action agenda regarding consultants report
- Noses in, fingers out
- Balance on both sides of Interstate # 29
- Money, money, money

# The Life and Times of \$crooge McDuck



ADVICE: TRY..TRY..TRY

Philosophers

Elbert Hubbard vs. Homer Simpson



# A Shared Vision

(Roger Reiersen)

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# A SYSTEM BUILT ON OLD PRINCIPLES

- Slow to react
- Not allowed to take risks
- Not in-tune to future direction of the workforce
- Micro-managed by legislature

# A SYSTEM WITH TREMENDOUS POTENTIAL

- Great reputation for educating students
- Capacity was more than sufficient

*But...*

- Enrollment picture was trending downward
- Presidents weren't allowed to lead
- Unable to attract faculty
- We were not structured for success

## AND...OUR UNIVERSITY SYSTEM

- Did not address the needs and opportunities of the state
- Not an asset for private business, other than talent
- Did not have a mandate to work collaboratively with business...so few partnerships formed

# “LIKE A BRIDGE OVER TROUBLED WATERS...”

- Roundtable formed to address Higher Ed issues
- All three entities were looking for answers....Private Business, Higher Education and Elected Leaders
- The Roundtable brought them all together
- Each coming to the table selfishly...each looking for answers

# EACH BROUGHT A DIFFERENT PERSPECTIVE

- Legislators brought the funding
- Higher Ed brings teaching and research
- Private Sector is the ultimate customer

# THE MESSAGE...

- We need a University system that is...
  - More progressive
  - Entrepreneurial
  - A serious player in enhancing the economy of the state
- Remove barriers
- Let our Presidents lead

# FROM OUR PERSPECTIVE...

- Flexibility and Responsiveness with accountability was the right formula
- Partnerships are stronger than ever
- Engaged universities and colleges
- A whole new atmosphere
  - Entrepreneurial
  - No longer risk-adverse
  - Strong university/college leadership

# A FEW EXAMPLES

- Workforce Training
- Curriculum study and career paths, mentoring and internships
- Centers of Excellence
- Red River Trade Corridor
- Research & Technology Transfer
- Attracting new businesses and new start-ups
- Retaining our graduates

# MORE THAN A REPORT

- The results has little to do with the words of the Roundtable Report
- It was a shift in mind-set
- Successful Economic Development = Public + Private + Higher Education
- Successful Higher Education is one engaged with its communities

# QUESTIONS??

- Presentation available on the North Dakota University System Website at:

<http://www.ndus.nodak.edu/>