

Exhibit 44 (continued)

State	Tuition and Fees	Local Taxes	State Funds	Federal Funds	Local Charge-Back Funds	Other Sources	Total
Pennsylvania	31	31	31	7	-	-	100
Rhode Island	18	-	63	1	-	18	100
Tennessee	13	-	62	15	-	10	100
Texas	19	30	51	-	-	-	100
Utah	24	-	67	8	-	1	100
Virginia	11	-	79	10	-	-	100
Washington	13	-	76	11	-	-	100
Wyoming	17	43	31	4	-	5	100

^aStudent fees and tuition go into the state general fund from which total operating expenses are funded.

^bExcludes one locally controlled college.

^cFor locally controlled colleges.

^dFor state controlled colleges.

SOURCE: Lawrence H. Arney. State Patterns of Financial Support for Community Colleges. Gainesville: Institute of Higher Education, University of Florida, February 1970, pp. 15-19.

Exhibit 45

STATE FUNDING PROCEDURES IN 1974

1. No formula -- Alaska, Idaho, Kentucky, Maine, Massachusetts, Utah, Vermont.
2. No formula but established bases -- Arkansas, Colorado, Connecticut, Delaware, New Mexico, Rhode Island, Virginia, Wyoming.
3. Formulas with no set amount -- Alabama, Mississippi, Montana, Nebraska, Wisconsin.
4. Formulas with set rates (Common dollar rate for all instructional areas) -- Georgia, Iowa, Kansas, Maryland, Missouri, New Jersey, North Dakota, Oklahoma, Oregon.
5. Formulas with set rates (Different rates for two or more areas of instruction) -- Arizona, California, Colorado, Illinois, Michigan, New York, Ohio.
6. Formulas with detailed methods -- Florida, Georgia, Hawaii, Louisiana, Nevada, North Carolina, Oklahoma, South Carolina, Texas, Washington.

SOURCE: James L. Wattenbarger and Bob N. Cage. More Money for More Opportunity: Financial Support of Community College Systems. San Francisco: Jossey-Bass Publishers, 1974, pp. 75-100.

Fundamental Questions for North Dakota

The wide range of alternatives reflected in these and other studies indicates that each state must decide for itself how it wants to finance community and junior colleges.

Some fundamental questions that need more attention in North Dakota are as follows:

1. What kinds of educational programs should these institutions offer?
2. How many people should they attempt to serve?
3. What resources are needed to provide programs of high quality?
4. How much will these resources cost?
5. How should costs be shared by students, local districts, and the state?
6. What procedures should be used to distribute available funds equitably among these and other public institutions of higher education?

Supplemental Statements

Statements prepared by the four associates who participated in this study provide additional information about alternatives related to governance and financing of school district junior colleges and educational centers in North Dakota.

Eugene Lehrman, Executive Director of the State Board for Vocational, Technical and Adult Education in Wisconsin, suggests "a decentralized system...operating under state policies established by expanding the State Board of Vocational Education...." He says Wisconsin has had a system of this kind since 1911, with all areas of the state included in postsecondary districts.

and with legislation that spells out responsibilities of the University of Wisconsin System and the State Board for Vocational, Technical and Adult Education.

He then explains how a system of this kind could be established in North Dakota. Among other things, he would give the Postsecondary Education Commission responsibility for developing a plan that would place all areas of the state in community college districts. He would also expand membership on the State Board of Vocational Education to include "broader representation from employer groups, employee groups, consumers and farmers." He concludes with a list showing eight advantages of such a system:

Ben Morton, Chancellor of the Board of Regents in West Virginia, begins his statement by suggesting that the issues in North Dakota are "much broader" than those identified with the three institutions under consideration here and that it is tempting "to make a recommendation that a complete and sweeping study be made of all North Dakota's public higher education with an eye to restructuring educational delivery and to making it more in tune with the needs of the changing type of student."

Referring to the three institutions, he says that in his judgment state interests "are not well served with the degree of local initiative possible under current law" and that in the long run "a governmental structure of shared authority... may be the best model...." He also recommends that the formula for state funding should be abandoned and that the State Board of Higher Education should be responsible for making recommendations about appropriations.

Following these comments, Morton describes efforts to provide community college services on a statewide basis in West Virginia. He refers specifically

to the conversion of branches of other institutions into three free-standing community colleges, to the establishment of six community college components within some of the state colleges and universities, and to the ongoing transition of one state college into a community college. He concludes his statement by stressing the need for North Dakota "to take a careful look at its total higher education system toward the end of substantial reconfiguration" and indicating his belief that "the West Virginia model would strongly suggest direct state governance and budget control through the State Board of Higher Education."

John Mundt, Executive Director of the State Board for Community College Education in Washington, offers a statement divided into three parts.

Part I contains a description of the current situation in North Dakota as he sees it, with emphasis on developments at some of the state colleges and the complexity of "reporting relationships" at the three "junior colleges." He predicts a total of eight community colleges in the state, including three of the state colleges, and says present institutional structures are inadequate to avoid unnecessary duplication.

Part II provides a summary of alternatives for "managing the future" followed by a proposal calling for establishment of a Sub-Commission of the Postsecondary Education Commission to serve as a coordinating body for two-year institutions. Functions and responsibilities of the Sub-Commission would be as follows: (1) development of a single budget for the system, (2) planning and program approval, (3) establishment and maintenance of an MIS system, (4) establishment of general policies governing two-year institutions, and (5) establishment of common statewide tuition and fees for junior college students.

Part III contains some brief comments about the need for new legislation and barriers to the development of a strong community college system. "Legislators and the public will probably be receptive to an emphasis on vocational-technical education", he concludes, "though advocates of modern community college education should strongly insist on comprehensiveness as well."

Herbert Hengst, Director of the Center for Studies in Higher Education at the University of Oklahoma, provides an overview of the Oklahoma State System of Higher Education as it relates to "junior/community colleges." He says the system provides "alternative patterns of governance for the fourteen public two-year colleges that fall within its coordination responsibilities; but the manner in which state resources are channeled into these institutions is essentially the same."

Referring to governance, he explains that the State Regents for Higher Education serve as a coordinating body with constitutional powers that afford "a significant measure of control." He says also that "the actual management of each institution is delegated to its own individual board."

Hengst then describes the process of state funding, indicating among other things that the two-year institutions have two main sources of income: (1) state appropriations and (2) tuition and fees. This is followed by a diagram showing the sequence of activities in the appropriations process.

VI. CONCLUSIONS AND RECOMMENDATIONS

Findings throughout this study lead to the following conclusions and recommendations about governance and financing of school district, junior colleges and educational centers in North Dakota.

Conclusions

1. Bismarck Junior College and Lake Region Junior College are no longer "junior colleges" in the usual sense of that term. Both offer a variety of vocational-technical programs and both are engaged in continuing education and community service activities. As a result, they have all of the characteristics of institutions generally classified as "community colleges."

2. UND-Williston Center might also be classified as a community college in terms of objectives and course offerings. The main difference between it and the other two institutions is the fact that it is not governed by a local board.

3. It is at least questionable whether existing legislation related to educational centers affiliated with state-supported institutions of higher education should be continued. This has led to a situation at UND-Williston Center where this institution is under the control of the University of North Dakota but seems to operate more or less independently of that institution in view of its location and the fact that it receives all of its funds from other sources.

4. All three institutions are having difficulty in obtaining what they consider to be adequate funds for current operations or capital outlay. Each is limited in its ability to obtain operating funds from local sources because of its identification with one school district. Each is also

dependent on the issuance of bonds for funds to be used in the purchase of land or construction of buildings.

5. There is clearly a desire on the part of legislators for coordination of activities at all three institutions. This is reflected in numerous amendments to Chapter 15-18 of the North Dakota Century Code during the past few years.

6. One of the complicating factors in efforts to decide which agency should be chosen for this purpose is the fact that responsibility for post-secondary education in North Dakota has been divided between the State Board of Higher Education and the State Board of Vocational Education. The State Board of Higher Education has been given complete responsibility for control and administration of all state institutions of higher education that either now exist or might be established. The State Board of Vocational Education has been given responsibility for planning and administration of vocational education programs at both secondary and postsecondary levels and for establishment and maintenance of standards at all postsecondary institutions other than those for which specific exemptions are provided in the law.

7. There is a continuing need for an approach to comprehensive state-wide planning related to all postsecondary educational resources as described by McKinney, Harclerod, and Martorana in a report prepared for the Commission about a year ago. Recommendations in that report are shown in Appendix D.

Recommendations

1. It is recommended that members of the Postsecondary Education Commission meet at their earliest convenience with the Commissioner of Higher Education, the State Director of Vocational Education, and chief administrative

officers of the three institutions to discuss the contents of this report and to initiate a continuing dialogue on matters related to it.

2. It is recommended that members of the Commission refer copies of this report to appropriate persons at both state and institutional levels with a request for comments that might be considered by the Commission before taking action on specific alternatives.

3. It is recommended that members of the Commission and other interested persons give serious consideration to the possible need for amendments to Chapter 15-18 of the North Dakota Century Code that would substitute the term "community college" for the term "junior college" throughout this legislation.

4. It is recommended that members of the Commission and other interested persons give serious consideration to the possible need for amendments to Chapter 15-18 of the North Dakota Century Code that would eliminate all provisions related to educational centers affiliated with state-supported institutions of higher education.

5. It is recommended that members of the Commission and other interested persons give serious consideration to three fundamental concepts closely related to decisions about governance and coordination of institutions of higher education, namely (1) the concept of a comprehensive community college, (2) the concept of local control, and (3) the concept of equality of access.

6. It is recommended that members of the Commission and other interested persons give serious consideration to the various alternatives described in this report for the purpose of reaching agreement on procedures for governance and financing of the three institutions that would seem to be most appropriate for North Dakota at this time.

7. It is recommended that members of the Commission give additional

consideration to the need for comprehensive statewide planning related to all postsecondary educational resources as described in the report by McKinney, Harclerod, and Martorana prepared for the Commission last year.

STATEMENT BY EUGENE LEHRMANN, STATE DIRECTOR,
VOCATIONAL, TECHNICAL AND ADULT EDUCATION,
STATE OF WISCONSIN, SEPTEMBER 6, 1978

It is my observation that there are many very excellent programs in operation in the three junior colleges of North Dakota. It is apparent, however, that there are concerns at the state and local level in regard to the financing of these junior colleges from a very limited local tax base. In addition, this limitation restricts the ability of the district to plan in regard to business and student needs on a base broader than the local school district.

I believe that a decentralized system of operation for the junior colleges, operating under state policies established by expanding the State Board of Vocational Education, is worthy of consideration.

Wisconsin does have such a decentralized system, which was established in 1911 with the creation of a State Board of Vocational Education and local boards in cities with populations of over 5,000. In 1965, all areas of the state were placed in postsecondary districts with the following mission:

38.001 Mission: The board shall be responsible for the initiation, development, maintenance and supervision of programs with specific occupational orientations below the baccalaureate level, including terminal associate degrees, training of apprentices and adult education below the professional level.

In addition, the University of Wisconsin System Law, Section 36.31, spells out the responsibilities of the University of Wisconsin System and the Board of Vocational, Technical and Adult Education in regard to postsecondary education:

36.31 Coordination with other educational agencies. (1) The board shall not, without the approval of the board of vocational, technical and adult education, broaden the system's post-high school training mission to include the preparation of persons for semiprofessional or skilled-trade occupations beyond those offered during the 1972-73 academic year. The board of vocational, technical and adult education shall not, without the approval of the board of regents, broaden its system's college parallel program offerings beyond those in existence during the 1972-73 academic year. In this section, "college parallel program offerings" means those courses approved and designated by the board of vocational, technical and adult education in compliance with s. 38.24 (1) which enables a student to continue education as a junior in a four-year institution.

(2) The board of vocational, technical and adult education, in agreement with the board may designate courses other than those covered under sub. (1) as transferable for collegiate credit between the 2 systems.

To facilitate this development, the North Dakota State Postsecondary Education Commission would be charged with developing a plan to place all the area of the state in community college districts. Consideration should be given to

utilizing existing educational operations wherever possible.

Upon completion of districting, the present state board of vocational education should be expanded to include broader representation from employer groups, employee groups, consumers, and farmers. This expanded board would be organized to operate as the overall policy body for community college education. This board should be given the authority to approve district programs requested by local districts to avoid program duplication, distribute state and federal aids and coordinate other functions of the districts which have statewide implications.

District boards should be organized in each of the community college districts with representation from employer, employee, consumer and farmer groups and be appointed by the State Board of Vocational Education. The district board would have exclusive control over district operations, would be granted the authority of a municipality, be authorized to hire and fire staff, to establish school district policies and to carry out all post-secondary educational activities authorized in the statutes.

Since all of the area of the state would be in a community college district, it could be financed from state and federal aids distributed through the State Board of Vocational Education plus student tuition and fees and gifts and grants collected at the local level.

Organization on this basis allows for direct area and community involvement in program development. It has been predicted that 20% of the jobs in the '80s will require a baccalaureate degree; 5% will fall in the unskilled category; and the balance will require a combination of skill and academic training. A community college system geared to give attention to this type of training would be able to effectively meet the needs of the people of the state of North Dakota.

Advantages of the above decentralized system:

- A. Allow for local control and operation of the districts
- B. Provide for state level coordination to limit program duplication
- C. Would provide for a community college advocate at the state level
- D. Would provide for uniform financing of the community colleges
- E. Would provide for a statewide delivery system organized on an equitable basis
- F. Would provide for articulation with the secondary vocational education program at the state level through the State Board of Vocational Education
- G. Would provide for statewide planning of community college programs
- H. Would allow for added attention to be given to postsecondary vocational, technical and adult programs.

STATEMENT BY BEN L. MORTON, CHANCELLOR, BOARD OF REGENTS,
STATE OF WEST VIRGINIA, SEPTEMBER 5, 1978

The questions that naturally come to mind, as one looks at the North Dakota situation, are much broader than ones relating specifically to the three community or junior colleges. North Dakota is in a position similar to that of many states; that is, it finds itself with a system of higher education that is highly institutionalized and essentially configured for a different era. Recognizing all of the intrinsic political and practical issues that are involved, one is tempted to make a recommendation that a complete and sweeping study be made of all North Dakota's public higher education with an eye to restructuring educational delivery and to making it more in tune with the needs of the changing type of student.

It is my judgment that state interests in higher education with particular reference to community colleges are not well served with the degree of local initiative possible under current law. Institutions can "pop up" because of capricious and temporal circumstances. That is, a strong, active leader may at a certain time create a community college in an area where clearly data show at best marginal need. On the other hand, because at a certain point in time such leadership may not be present, another area badly needing such service will not have same. This results in community college activities inconsistent with total state priorities.

Clearly the initiative leading to the current study of the three community colleges, however, is financial. The three institutions are striving to find money of a substantial, permanent nature to provide a basis for what are likely currently underfunded programs and activities (at least in some instances).

As a first in bringing the situation into some semblance of rationality, it is

recommended that the formula for state funding approach per se be abandoned, that the institutional budgets be reviewed in detail and that an appropriate state appropriation recommendation be made by the State Board of Higher Education. This step, although it may generate some additional cost to the state, will at least give a measure of assurance that the programs now being offered are adequate and that the dollars provided by the state are reasonably well spent on educational services.

In the long run, a governmental structure of shared authority for community colleges may be the best model for North Dakota given the history and traditions that exist. Perhaps the state level board should have final governance and coordination authority, but would be given the authority to delegate certain responsibilities to local boards, much like the approach that is now used in the North Carolina State University system. Clearly, whatever is done on the governance scene must sort out and/or create definitive accountability lines for the three community colleges.

Although no two states are the same, it is possible that what has transpired in the State of West Virginia over the last eight or so years may provide a worthwhile model for study. Both states are essentially rural in nature. Both states find themselves with several small four year institutions located in isolated areas. Both states have less than fully developed comprehensive post-secondary education programs, particularly of a comprehensive community college nature.

Because of demographic and economic characteristics, West Virginia law and policy state in effect that public higher and post-secondary education is a state rather than local or shared responsibility. These same general characteristics appear to exist in North Dakota.

Because of the number of small four-year institutions already established, West Virginia policy is to capitalize as much as possible on these existing resources in providing comprehensive community college programs. North Dakota also has a significant number of such small, four-year institutions.

Developments to date in West Virginia have been to create three stand-alone community colleges through conversion from university and state college branches, the establishment of six community college components at five state colleges and universities and the ongoing transition of a state college essentially to a two-year community college, serving its immediate geographic area. Present planning would suggest that these nine units constitute the necessary institutional framework to serve virtually all West Virginians with community college programs.

The structure of the three converted branches is essentially traditional in that each has its own president reporting through the Chancellor to the West Virginia Board of Regents. The Board makes specific and discreet financial allocations to each from its available total resources; no local tax resources are utilized.

The community college components are still in a stage of transition and development with some being much further along than others. The essential structural model stated simply is akin to that of a graduate school within a university. Each is headed by a vice-president or provost with a small support staff reporting directly to the president. Each has its own faculty, many of whom also have appointments in the four-year programs. Each has its own instructional budget, but generally relies on the four-year institution for administrative services and in large measure for facilities.

The inherent disadvantages of the component approach are, of course, obvious to the practiced higher education observer or practitioner. Interfacing what are essentially two completely different types of institutions is a quite

difficult task requiring a high level of diplomacy, considerable patience and a strong and steady central pressure application. Constant care must be taken that the existing four-year establishment does not pervert or capture the community college programs. If they do, the programs will become in substance the first two years of a traditional four-year degree. The essentials to success are a sympathetic president, a truly community college oriented component chief executive, reasonable demonstrated priority financial support, and a system which strongly supports and reinforces the component programs.

The other potential problem of a fully state controlled and financed community college program is assuring community responsiveness in programming. By its intrinsic nature, a community college is dedicated to serving the broad gage educational needs of a geographic community or area. Its programs must reflect the needs of local or area employers and the particular nature of area students. These will, of course, differ from one place to another. The conventional wisdom is that the necessary responsiveness and accountability is provided through local or shared local control and financing. Certainly, such mechanisms are not automatically there in a system such as has been developed in West Virginia. Consequently, other arrangements must be made to provide local input of an ongoing and substantive nature.

The West Virginia Board of Regents met the local input need in what appears to have been a rather successful manner by setting up local advisory boards and requiring inputs from such boards in a systematic manner. More recently, these boards have been recognized by inclusion in state statute. Also, in the proven tradition of community college philosophy, it is expected that each career or semi-professional program will have a local and representative advisory committee for purposes of assisting in content development and ongoing evaluation.

Board staff insists on evidence of such program input before it will recommend approval to the Board.

The ideal in any state is to have a system of comprehensive community colleges serving all or nearly all of the population on a reasonable community basis in a complementary and non-duplicative mode in reference to the four year colleges and universities. Because of demographic, economic, political and social characteristics, such an ideal is not possible in rural and generally lightly populated states like North Dakota and West Virginia. The dilemma is further deepened by the fact of life that relatively substantial resources are already committed to the "traditional" higher education establishment; such was not the case in most of the highly populated and industrialized states that have put in place a full array of comprehensive community colleges.

One alternative is to essentially finesse the issue by doing nothing; this it is strongly suggested is self-defeating in that it deprives large numbers of citizens of appropriate educational opportunities.

The other alternative is to work toward a reasonable approximation of the ideal by creative use of what exists. That would appear to be the viable alternative for North Dakota. The general approach being taken in West Virginia represents a type of gradualism and compromise that implicitly responds at the same time to political realities. The more direct and perhaps courageous approach would be to overtly reconfigure the institutional patterns by a process of closure, commencement and significant change in specific institutional missions. The latter course is quicker and more efficient, but it is also potentially more disruptive.

I would close by repeating my earlier recommendation that North Dakota needs to take a careful look at its total higher education system toward the end of

substantial reconfiguration. In terms of the immediate issue of the three community colleges, the West Virginia model would strongly suggest direct state governance and budget control through the State Board of Higher Education.

STATEMENT BY JOHN C. MUNDT, STATE DIRECTOR,
WASHINGTON STATE BOARD FOR COMMUNITY COLLEGE
EDUCATION, STATE OF WASHINGTON,
SEPTEMBER 6, 1978

I. Current Situation

A. Relationship Between Two-Year Institutions
and State Colleges

Five two-year institutions (Bismarck Junior College, the Bottineau Branch of the North Dakota State University, Lake Region Junior College, the Williston Center of the University of North Dakota, and the North Dakota State School of Science) as well as three state colleges (Dickinson State College, Valley City State College, and Mayville State College) will soon fit comfortably within the modern concept of a "community college" (a term preferred over "junior college" in the future)--that unique, comprehensive institution within the broad concept of "higher education" and the still broader definition of "postsecondary education" that now accounts for over a third of all postsecondary enrollments in the

United States.

The three state colleges, originally normal schools but faced with a decline in demand for teacher training, are compelled to contemplate diversification of curriculum--specifically a venture into vocational-technical areas--in order to survive. Only Minot State College, among the state college group, has a reasonable opportunity of continuing in more or less its present form as a viable four-year institution. In fall 1977, its total FTE enrollment was 2,206.

The remaining three state colleges in fall 1977 enrolled only 820 upper division FTE's between them, raising questions whether their junior and senior offerings can be efficiently financed in the future. Two of the state colleges, Mayville and Valley City, are near senior institutions where upper division programs are more economically available.

An example of changes underway in the four-year state colleges is that of Dickinson State College. Dickinson is now offering typically community college programs in the vocational-technical area: heavy equipment, truck driving, LPN, agriculture, business education programs. The State Board of Vocational Education provides federal vocational funds for the heavy equipment program on a 100%

basis as well as other federal funds on a matching basis. The whole trend at Dickinson toward a comprehensive curriculum with an increasing vocational-technical emphasis is causing concern at other postsecondary institutions, as well as among legislators.

From the standpoint of the executive and legislative branches, two reactions to these developments will become increasingly evident, one positive, one of concern. The positive aspect of these developments is that trained manpower will be provided North Dakota agriculture and industry on an increasing scale. The Williston Center is 75% vocational, and it is estimated that 84% of the graduates find employment in the area. Lake Region is 80% vocational, and it is contended that 78-80% find employment in North Dakota. (The state colleges also have a good placement record according to the State Board of Higher Education.)

The second reaction and a concern is the obvious danger of unnecessary duplication of programs as the vocational-technical programs proliferate among the eight postsecondary institutions. It is clear that legislative interest in greater central coordination to avoid unnecessary duplication will increase. Present institutional structures are inadequate to accomplish this, as noted in the succeeding section.

B. Complexity of Reporting Relationships

The three state colleges are nominally subject to the governance of the State Board of Higher Education, though federal vocational monies and attendant controls flow to them from the State Board for Vocational Education, as noted above. Moreover, "governance" by the State Board of Higher Education is almost non-existent, given the fact that the board has only four professionals on its staff (compared to 21 professionals and a total staff of 31 on the vocational board staff).

The situation for the three junior colleges is even more complex. Under the North Dakota Century Code, the following "outside" state agencies have "governance" responsibilities for junior colleges:

1. A school board of a public school district may appoint a "board of control" to direct the management and operation of a junior college. This has been done for Lake Region Junior College (15-18-10). The board of control has authority to employ teachers and personnel and generally manage the junior college (15-18-10).*

* At Bismark Junior College there is a common college and school district board. Williston is technically an "educational center" under a "Dean" appointed by the president of the University of North Dakota; the "Dean" manages without a formal board.

2. The North Dakota Postsecondary Education Commission maintains an information system including junior college data.
3. The State Board of Higher Education prepares and publishes academic standards for junior colleges, provides for inspection, and recommends accrediting of academic courses (15-18-04).
4. The State Board for Vocational Education performs the same functions for "trade courses" (15-18-04).
5. A state-supported institution of higher education (such as the University of North Dakota) may enter into an agreement with the school board of a school district for the establishment and maintenance of an off-campus educational center offering college or university level courses (as at Williston) (15-18-04.1).
6. A board of county commissioners may levy a tax of not exceeding five mills to aid the junior college (15-18-05).
7. The State Board of Public School Education annually reviews junior college budgets and also verifies the number of students attending junior colleges for purposes of calculating state aid payments (15-18-08).

8. The Legislative Council receives junior college budgets for the information of the appropriations committees.

It is true that some of the foregoing are provided for by law but rest lightly or constitute nebulous requirements. No county has yet levied a tax. Some budget reviews are perfunctory. And the provision for a "board of control" had as its purpose more flexibility rather than outside constraint for the junior college.

Still, there is no clear, single point of accountability to which the executive and legislative branches can look regarding junior colleges. In considering how (a) complexity might be reduced and (b) a point of accountability might be provided, three factors should be noted as having widespread support: (1) the belief that there are too many institutions in the postsecondary area; (2) the belief that there are already a sufficient number of boards; and (3) the belief that a high degree of local autonomy should be preserved.

II. Alternatives Available

A.

Proposals for managing the future are quite diverse and may be summarized as follows:

1. Maintain status quo. This is the easiest course of action on the theory that any momentum or change creates

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resistance. The status quo could be made more palatable, according to some opinion, by simply increasing state aid and defining the mission of junior colleges as meeting statewide rather than regional needs (thereby justifying increase in state aid). Maintaining the status quo would not remedy the complexity described in the preceding section.

2. Have junior colleges report to State Board for Vocational Education. While it is true that future growth in vocational education will be substantial, and while it is also true that there is a vocational staff intact at the SBVE, the disadvantage is the obvious one that the modern community college is much more than a vocational-technical institute. In the state of Washington, a student can enter any one of ten programs, only two of which are preparatory and supplemental vocational programs. The same will undoubtedly be true in North Dakota with its strong allegiance to the Open Door concept and emphasis on comprehensive offerings. Hence, a vocational board, however well organized and well staffed, would not be appropriate as an overall, central governing board. The

State Board for Vocational Education would be particularly unacceptable to the three state colleges should they become part of any system of two-year institutions.

3. Have junior colleges report to the State Board of Higher Education. This is proposed by some as it would put all postsecondary institutions under one board. It is opposed by others as it would relieve the vocational board of jurisdiction over the chief deliverer of vocational education in the state. Also the staff of the higher education board would not be equipped to supervise or provide technical assistance in vocational-technical areas.

4. Have junior colleges report to the State Board of Public School Education. This would provide a more neutral identification than the State Board for Vocational Education (though the membership of the two boards is identical). The State Board of Public School Education has certain responsibilities already: receives budgets of junior colleges and handles state aid. However, this board currently has no staff. Also, presence of the State Superintendent as its executive officer would be considered a threat to loss of identity of a junior college or state

college as postsecondary institutions.

5. Establish separate board for two-year institutions.

Good theoretical advantages can be identified for this course of action: autonomy for community college education; single, central point of accountability; direct working relationship permitted with executive and legislative branches. This structure (state board plus 22 local boards with a balance of responsibilities between the two sets of boards) is working in a satisfactory manner in Washington. However, this may not be possible in North Dakota at the present time in view of the aversion to the establishment of additional boards.

6. Have junior colleges report to the Postsecondary Education Commission. The size of this Commission would militate against its success as a governing board.

B. Proposal

It is proposed that from the membership of the Postsecondary Education Commission, three members of the State Board for Higher Education and three members of the State Board for Vocational Education, plus the junior college representative, form a Sub-Commission to serve as the coordinating body for two-year institutions.

The advantages over other alternatives described above appear to be as follows:

1. Both higher education and vocational education would be represented (preventing the choosing of sides by academic and vocational faculty and administrators).
2. Membership of an existing commission would be used--no new or additional board would be created.
3. A seven-person Sub-Commission is a more viable number than the full Postsecondary Education Commission itself.
4. The four-year state colleges could more comfortably come under the jurisdiction of the Sub-Commission than any other possible existing board or commission appropriate for all concerned.
5. Could lead to greater interaction between two-year and four-year presidents and personnel. At the present time, only the Dean at Williston attends meetings of the state council of state college presidents.

With respect to point #4 above, it is always difficult to change the role and mission of an existing institution, i.e., the change from a normal school to a comprehensive two-year institution, as in the case of the state colleges. However, the changes are already under-

way in practice that will produce such a result as the three state colleges struggle for survival. Eliminating upper-division offerings at the three colleges for economic reasons will be resisted and provision of services to the students involved must be considered with sensitivity (some off-campus upper division offerings might be justified on an extension basis if the economics are defensible. At the present time, North Dakota State offers junior and senior courses in management on the BJC campus). Also, many four-year faculty do not understand the challenge and dynamics of community college education; resistance from faculty and administrators at the state colleges must be anticipated.

Eventually, should eight postsecondary institutions come under the jurisdiction of the Sub-Commission, it will probably evolve into a body of considerable integrity, representing as it will an important, unique and separate segment of postsecondary education.

C. Functions and Responsibilities of the Sub-Commission

These must be made clear.

1. Development of a single budget for the system.

The least complex way for the executive and legislative branches to deal with financing two-year institutions is to receive a single budget proposal, with sufficient detail to (a) identify institutional budget levels, and (b)

determine that necessary services will be offered without unnecessary duplication among the institutions.

Avoidance of unnecessary duplication between the secondary area vocational schools and the two-year post-secondary colleges should continue to be the responsibility of the State Board for Vocational Education. The Sub-Commission could also be influential in reviewing the tendency of the senior institutions to offer off-campus continuing education programs, presently without effective regulation.

2. Planning and Program Approval.

Junior colleges need have no fear of the implementation of program budgeting in the governor's fiscal office. The junior colleges have actually sought to go through the executive review process in order to surround their budget proposals with greater integrity.

3. Establishment and maintenance of an MIS system (already a function of the full North Dakota Postsecondary Education Commission).

4. Establishment of general policies governing two-year institutions.

At the same time, separate local boards are recommended such as the "boards of control" to preserve a high degree of local autonomy on a decentralized basis. The Sub-Commission should be viewed as more of a coordinating body than a coercive one. With eight institutions under the jurisdiction of the Sub-Commission, the state should be divided into eight districts with a regional board in each. The cost of regional boards (per diem and travel) is minimal for the services rendered by responsible lay board members.

There is a curious opinion voiced in some quarters that seems to define "community college" in strictly geographic rather than programatic terms. Yet graduates of community colleges, though many remain in a local community, also find employment in other parts of the state to the general welfare of all. A system of eight community colleges--though each institution will seek to be responsive to the needs and desires of its own community--should be considered as a state resource, and something of value to all counties in addition to the eight in which a campus may be located. This is the fact now: 30-35% of

Williston's enrollment is from the city, the remainder from a 70-80 mile area.

5. Establishment of common statewide tuition and fees for junior college students.

At present students at junior colleges in different localities pay different tuition and fees for the same services. Thus some students pay more than others. All citizens should be treated equally.

D. Comments Concerning Various Concerns

1.

An aversion to a state-level governing agency was voiced on the grounds that a state agency cannot react quickly enough if a new industry is established locally whose personnel needs training. It can only be pointed out that such is not the experience in states with state boards such as the state of Washington. Steps should be taken and systems and procedures adopted that will permit a necessary level of local or regional flexibility.

2.

There is an opinion that higher education is "over-built" and therefore no additional facilities are justified at junior colleges-- "the students can go where the buildings are." The obvious problem,

of course, is that the buildings that are "over-built" are not located where the demand is. It is still generally the case that the lowest cost to the taxpayer is to provide lower division postsecondary education to sons and daughters at a local institution to which the student can commute rather than "going away to college." Additional facilities may be fully justified at two-year institutions in the future in North Dakota on a selective basis.

One way to facilitate capital construction on two-year campuses in North Dakota may be on a matching basis. If regional boards are established and nearby counties are periodically represented on the boards of "their" regional college, county levies may be possible on condition that matching state or federal appropriations are available. Most new buildings needed will probably be dormitories or vocational buildings, which should have particular voter appeal (BJC feels it has lost student enrollments because of the shortage of dormitory space).

3.

An objection to a state system is voiced with the argument that the legislature would then have to appropriate money to reimburse local districts for the facilities that are taken over. This may not be necessary. When the state system of community colleges was

established in Washington in 1967, and title vested by statute in the State Board for Community College Education, the State Supreme Court upheld the transfer without compensation even though some local bonds were still outstanding. The rationale was that local taxpayers approved the local levies originally for the purpose of establishing a community college and that this purpose was in no way thwarted by a state system: the local college was still local and continued to render the expected services.

4.

Some of the institutions involved are "Constitutional" rather than "statutory." This may require a phasing process to accomplish ultimate organizational objectives, as the Constitution is amended. North Dakota has rejected sweeping constitutional revision but has not been averse to amendments on a piecemeal basis. These would be piecemeal amendments.

5.

Some are concerned that funding is not available for expansion of junior college services. It is undoubtedly true that the taxpayer revolt is having effect in North Dakota as elsewhere and that advocates of community college education have a severe burden of proof to justify increased appropriations for state aid or state dollars for

vocational education. However, a strong case can be made. The importance of the presence of a college to the economy of the local community can be demonstrated by applying tested models. Also, it is commonly believed in North Dakota that only communities in which colleges are located have grown. Moreover, it can be demonstrated that junior college costs for the delivery of lower division services are lower than for other institutions of higher education. The provision of skilled manpower can be singled out as a contribution of junior colleges, which are often the largest single employee-training institutions in the state.

6.

It is sometimes argued that junior college growth simply means increased competition for students who would otherwise attend the long-established senior institutions. This is an argument that often is exaggerated. The three junior colleges are heavily oriented toward vocational education, an area of no interest to a university and non-competitive. Other junior college programs are likewise of little interest to the senior institutions: preparation for GED, remedial education, adult basic education, home and family life courses, apprentice training, etc. The part-time student usually cannot "go away to college" to attend a four-year institution. In many states, registrars of four-year institutions believe that junior colleges

generate as many transfer students at the junior level as they take away at the freshman level. Community colleges serve essentially different markets and for this reason are recognized as separate and unique segments of postsecondary education. The transfer potential for the senior institutions is particularly attractive in North Dakota as almost all junior college transfer students transfer to another North Dakota institution rather than going out of state. Also, their scholastic records hold up well after transfer and it is noted there is no dip in grades.

Essentially, the argument there are too many institutions of higher education in North Dakota (exemplified by the cutoff date of July 9, 1969 for state aid) is an emotional argument unless and until criteria for reaching such judgments are developed. A more proper approach would be first to determine the service and accessibility level North Dakota wants for postsecondary education. It is common to hear references to the relatively low 600,000 population of the state. On the other hand, the western part of the state has been less served than the eastern part. It is important to arrive at as pragmatic a definition of the Open Door as possible, balancing the nationwide emphasis on access against the vanishing surplus in the state treasury and looming cash flow problems on the revenue side.

III. Conclusion

Undoubtedly it will be necessary to substitute a new junior college chapter for the present chapter in the North Dakota Century Code, as well as make other statutory changes, to accomplish the goals and objectives set forth above.

Lack of public understanding of the possible contribution of a strong community college system will be a barrier, as will the probable need for constitutional amendment. Legislators and the public will probably be receptive to an emphasis on vocational-technical education, though advocates of modern community college education should strongly insist on comprehensiveness as well.

STATEMENT BY HERBERT R. HENGST, DIRECTOR, CENTER FOR STUDIES IN
HIGHER EDUCATION, UNIVERSITY OF OKLAHOMA CONCERNING GOVERNANCE
AND FINANCING OF JUNIOR/COMMUNITY COLLEGES IN OKLAHOMA

According to the Constitution of the State of Oklahoma, "All institutions of higher education supported wholly or in part by direct legislative appropriations shall be integral parts of a unified system to be known as 'The Oklahoma State System of Higher Education.'" (State Constitution, Article XIII Section 1). The system provides for alternative patterns of governance for the fourteen public two-year colleges that fall within its coordination responsibilities, but the manner in which state resources are channeled into these institutions is essentially the same. The purpose of this paper is to present a brief overview of those two facets of the junior/community college picture in Oklahoma.

The Governance Pattern

Constitutional provisions define the role of the State Regents for Higher Education in terms of coordination. In fact, the State Regents is called a "coordinating board of control" and is assigned the power to determine the standards, the functions and courses of study for each institution, to award degrees, to recommend to the legislature the budget allocations for each institution and the fees to be charged by each institution. The nature of these constitutionally prescribed powers affords the State Regents a significant measure of control and makes clearly operational the concept of coordination.

The actual management of each institution is delegated to its own individual board. With respect to the fourteen public two-year colleges in the state, two are operated by the Board of Regents for Agricultural and Mechanical Schools (which also operates the Oklahoma State University and three regional colleges) and twelve are operated by separate Board of Regents. One of those

twelve is a "municipal junior college" and is operated by the local school district board of education sitting as its Board of Regents. Seven are designated as "community junior colleges" and are operated by boards of regents which include a majority of the membership (four out of seven) from the service area of the institution. The remaining four two-year colleges are known as "state colleges." Each has its own board of regents whose members (five for two colleges, seven for the others) are appointed from the state at large. All regents are appointed by the governor with the advice and consent of the senate. The institutional boards have management responsibilities that include all personnel and internal financial matters, capital development programs, and other day-to-day operational concerns.

The State Regents for Higher Education exercises "coordinating control" by regulating the addition of new programs or courses of study in each institution. For example, should a junior or community college wish to initiate a nurses' training program, it would first have to be so authorized by the State Regents. The review of the proposal would take into account the actual needs of the local area, the problem of possible duplication of effort, and the impact of the proposal on the financial resources of the state. It should be noted, however, that once a program has been authorized, the State Regents remain completely out of the picture. The operation of each institution is the responsibility of its regents, administration, and faculty.

The Process of State Funding

There are two primary sources of income to support the two-year institutions of higher education, state appropriations and fees and tuition. It is true that other sources provide valuable assistance to the colleges as they seek to provide their unique set of services to the people of their service area, but gifts, grants, and contracts from the federal government, business and industry,

and friends of the institutions amount to supplemental dollars. The concern of this section is with the manner in which the dollars from the primary sources of support are determined and distributed to each of the fourteen junior/community colleges that are members of the state system of higher education.

It is not enough, of course, to say that the two-year colleges receive the bulk of their operating money from the legislature. Although the appropriation of state funds is the responsibility of the legislature, the people have wisely assigned to a special body the determination of the needs of the state's colleges and universities, the Oklahoma State Regents for Higher Education (OSRHE). In order to safeguard higher education from partisan incursions, the coordination of the state's colleges and universities was placed in the hands of the State Regents. The securing of funds, a central procedure in any effort at coordination, was assigned to the State Regents by the constitutional provision that established it as a state agency. It, then, is the instrument of both the people of the state and colleges and universities in petitioning the state legislature for supporting funds. By virtue of the duties of OSRHE, the colleges are at least partially insulated from whimsical legislative responses to concerns of the moment and to unprincipled exercise of power by ambitious political leaders.

The accompanying diagram outlines the sequence of activities involved in securing the primary funds necessary to operate the majority of the programs offered in the state's two-year colleges. The tapping of federal sources is not included. Neither does the diagram speak to the manner through which the state raises its money nor to the income sources and procedures involved in capital fund and auxiliary services activities.

The first step in the annual funding process is the determination of needs. This is a most critical phase in the process, and involves both each institution

and the staff of the State Regents. Each institution provides budget information following guidelines and using data developed by the State Regents in September of each year. In October, the Regents conduct open budget conferences with each budget unit in the state system, thereby adding valuable information to the more formal data base developed by the Regents through its regular information gathering activities. The conferences allow all needs and interests of each institution to surface and to be compared with all available information. Following these conferences, a budget proposal for the state system is finalized by the Regents' staff and formally adopted by the Regents. The final budget proposal is based on program cost projections, enrollment projections, anticipated student-faculty ratios, and funds required for the support of other institutional functions (organized research, continuing education and public service). The budget proposal also includes an estimate of the fees and tuition income for each institution.

The budget proposal is transmitted to the legislature through a formal resolution of the State Regents. It is published and distributed to each legislator. Its progress through the legislature is monitored closely by the Regents and staff. A pre-session briefing is conducted for all legislators; individual requests for clarification and/or additional information from legislators are handled promptly; and representatives appear before the Education and Appropriations Committees of the Senate and House. In all of these activities, the Regents' staff involves representatives of individual institutions. It should be noted that the legislature also considers a budget proposal from the Governor.

The action of the legislature results in a single lump-sum appropriation for higher education to the State Regents in accordance with provisions of the Constitution. The State Regents, then, have the task of determining the

allocations to be made to the individual institutions. It is not unusual for the state appropriation to be less than the budget proposal submitted by the State Regents. Consequently, the allocations are customarily pro-rated. The Regents, then, allocate a pro-rated lump-sum to each institution. It is a single year allocation and includes both state-appropriated funds and revolving funds. The allocations are made by formal resolution of the State Regents. Finally, the funds are allotted to each institution on a quarterly basis in accordance with a State Regents' approved budget. The lump-sum is then managed by each institution.

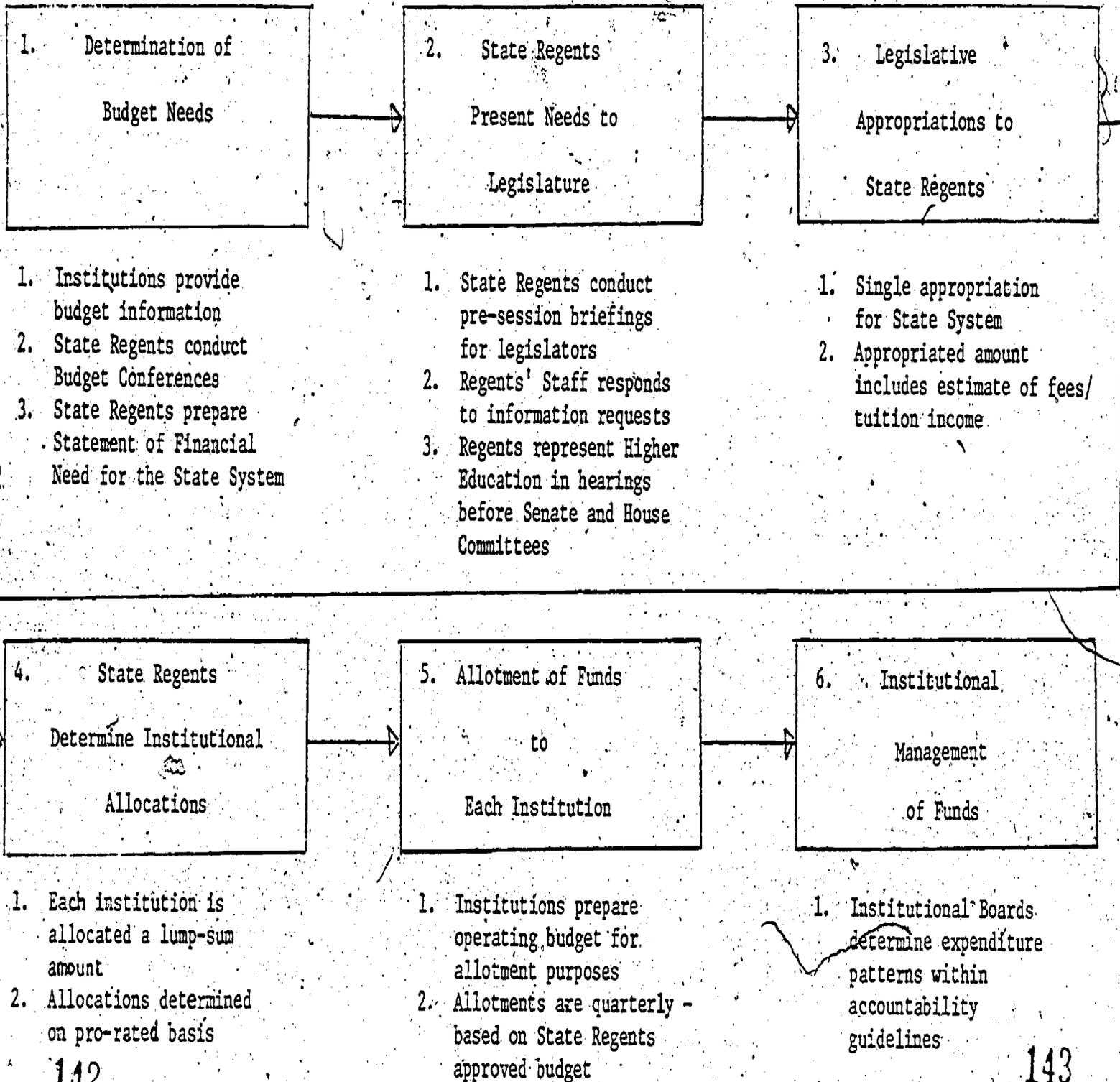
A comment is in order concerning the "lump-sum" allocation by the State Regents to the individual institution. Although the budget needs of each institution are determined by a program-based information system, there is nothing in the State Regents procedures or regulations that allocate certain dollars to certain programs or functions. The determination of the use of the "lump-sum" allocation is in fact a determination made by the institutional board, administration, and faculty.

Impact Estimate

It is clear that the two-year colleges in Oklahoma are members of the State System of Higher Education. Although there are, quite properly, the inevitable operational problems in such a diverse and extensive system, the junior and community college presidents seem to feel that their institutions have been well served. It should be noted that there had been little growth in the junior college segment of the system until approximately ten years ago, but recent years have witnessed significant developments. In addition, the current Chancellor of the State System is a former president of one of the state two-year colleges. It is appropriate to conclude that the two-year colleges have prospered as members of the State System. It is not accurate

to suggest, however, that membership in the State System itself was the causal factor in their current prosperity, even though such membership enabled the forces that were responsible to be marshalled and organized.

THE PROCESS OF STATE FUNDING OF PUBLIC COLLEGES AND UNIVERSITIES IN OKLAHOMA



54-7

A STUDY OF GOVERNING AND FINANCING OF SCHOOL DISTRICT JUNIOR COLLEGES

A study of the current status of school district created junior colleges with recommendations for future development including alternatives in governance and financing of their operations.

The three school district created and operated junior colleges in North Dakota are Bismarck Junior College, Lake Region Junior College, and the University of North Dakota Williston Center. These institutions were created by the local school districts under permissive legislation enacted in the 1931 legislative session. They are funded with local mill levies, state per student aid, vocational education appropriations, and student tuition.

Each legislative session the amount of the state appropriation and the methodology for allocating this appropriation has been modified by the legislature. Simultaneously the question of state control and accountability has been a concern of many groups, including the affected Boards of Trustees and/or local school boards responsible for their operations.

It is most apparent in reviews of postsecondary education and in planning for postsecondary education in the state that there needs to be a long-term solution to the questions of governance and financing of these institutions. Who should govern the determined role for these institutions for the best long-range achievements for postsecondary education in our State and how should they be financed?

The Postsecondary Education Commission is being requested to allocate assistance for a study of these concerns as a step in the long-range planning activities for Postsecondary Education.

The study should include but not be limited to the following:

- I. The historical development and commitments of the State to the operations of the three institutions.

- II. An examination of current and future governance of the public school district junior colleges.
- a. What is the current governance pattern at each institution?
 - b. What are the alternatives for future governance?
 - c. What legislative action is necessary to accommodate modification for acceptable alternatives for each or all of these institutions?
 - d. Should legislation require mandatory or permissive alternatives for governance and financing?
- III. Should legislation provide for the role and mission of these institutions?
- a. Should there be broad guidelines in legislation or authority to a governing body or bodies to determine their role and mission?
 - b. How should the local and or statewide roles be determined?
- IV. How should financial planning for capital development and long-range operational functions be determined to facilitate the determined role and scope of these institutions?
- a. Should the state purchase their facilities? If they should, what procedures should be set forth to facilitate these transactions?
 - b. What procedure needs to be developed to accommodate debt retirement and relieve the districts of bonding limitations?

In summary, the Commission is being requested to allocate assistance for a study to resolve the issue of long-range planning, operations, and governance of the school district created junior colleges and to recommend alternatives for current and future funding and governance of these institutions.

SOURCE: North Dakota Century School Code, 1971, pp. 278-283.

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in this chapter. Such purchase price shall be payable for not more than fifty years, in annual installments of not more than fifteen percent of the purchase price, at a rate of interest of not more than five percent per annum, payable semiannually, and shall be payable solely and exclusively out of the income derived from the operation of such dormitory;

and the state shall incur no liability whatever by reason of the exercise of the authority granted to the board of higher education by this chapter.

Source: S. L. 1929, ch. 102, § 4; 1939, ch. 120, § 4; R. C. 1943, § 15-1705.

15-17-06. Property of and evidence of indebtedness issued by institutional holding association exempt from taxation.—Any site, dormitory, equipment, or appurtenances acquired, purchased, erected, installed, owned, operated, or maintained by an institutional holding association, its successors or assigns, as provided in this chapter, and all bonds or other evidence of indebtedness issued lawfully by such association, shall be exempt from taxation.

Source: S. L. 1929, ch. 102, § 5; 1939, ch. 120, § 5; R. C. 1943, § 15-1706.

CHAPTER 15-18

JUNIOR COLLEGES

Section		Section	
15-18-01	Junior colleges authorized.	15-18-05	County levy to aid junior college or educational center authorized.
15-18-02	Election to establish junior college.	15-18-06	Proceeds of levy to be certified to special school district.
15-18-03	Tuition and fees in junior college — Use of tuition and fee revenue—Duty of school board—Tax levy authorized on vote of people—Maintenance of department.	15-18-07	State aid for junior colleges or educational centers.
15-18-04	Supervision of junior colleges.	15-18-08	Standards for state aid.
15-18-04.1	Establishment of off-campus educational center—Tuition and fees—Use of tuition and fee revenue.	15-18-09	Method of payment.
15-18-04.2	Mill levy for off-campus educational facilities—Election.	15-18-10	Junior college boards of control — Expenditures — Budget — Members — Terms — Compensation.

15-18-01. Junior colleges authorized.—The school board of any public school district comprising any city of the state having a population of more than five thousand, when authorized by a two-thirds vote of the electors voting thereon, may establish and maintain, in conjunction with the high school of such district, a department of junior

SOURCE: North Dakota Century School Code, 1971, pp. 278-283.

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15-18-03	Tuition and fees in junior college — Use of tuition and fee revenue—Duty of school board—Tax levy authorized on vote of people—Maintenance of department.	15-18-07	State aid for junior colleges or educational centers.
15-18-04	Supervision of junior colleges.	15-18-08	Standards for state aid.
15-18-04.1	Establishment of off-campus educational center—Tuition and fees—Use of tuition and fee revenue.	15-18-09	Method of payment.
15-18-04.2	Mill levy for off-campus educational facilities—Election.	15-18-10	Junior college boards of control — Expenditures — Budget — Members — Terms — Compensation.

15-18-01. Junior colleges authorized.—The school board of any public school district comprising any city of the state having a population of more than five thousand, when authorized by a two-thirds vote of the electors voting thereon, may establish and maintain, in conjunction with the high school of such district, a department of junior

college work to consist of not more than two years of work beyond a four year high school course.

Source: S. L. 1931, ch. 246, § 1; 1941, ch. 256, § 1; R. C. 1943, § 15-1801; S. L. 1961, ch. 158, § 3.

15-18-02. Election to establish junior college.—The establishment and maintenance of a department of junior college work shall be authorized only at an election held pursuant to ten days' notice thereof stating the time and place of the election and that such proposition is to be submitted to a vote thereat.

Source: S. L. 1931, ch. 246, § 2; 1941, ch. 256, § 1; R. C. 1943, § 15-1802.

15-18-03. Tuition and fees in junior college.—Use of tuition and fee revenue.—Duty of school board.—Tax levy authorized on vote of people.—Maintenance of department.—On or before August fifteenth in each year, the school board of a public school district which maintains a junior college shall determine the rate of tuition and fees required to be paid by all students attending the department, whether or not the students are residents of the district, and these tuition and fee charges may be at a different rate for the students nonresident in the district than for students resident in the district. Tuition and fee revenue may be used to retire bonds issued in accordance with section 15-55-18. Every public school district maintaining a junior college under the provisions of this chapter may levy a tax of not to exceed eight mills, the proceeds of which shall be used for the maintenance and operation of the junior college. When submitting the question at the election, the board may specify a levy of less than the eight-mill limit authorized, and if such a limited levy is approved by the voters, subsequent levies shall not exceed the limited levy without another election authorizing a greater levy, but no election shall ever authorize a greater total levy than eight mills. The tax levy for the support of a junior college shall be in addition to all other levies authorized by law for such school districts, and the proceeds of the levy shall be used exclusively for the support, operation, and maintenance of a junior college.

Source: S. L. 1931, ch. 246, § 4; 1941, 1949, ch. 133, § 1; 1957 Supp., § 15-1803; ch. 256, § 1; R. C. 1943, § 15-1803; S. L. S. L. 1961, ch. 158, § 4; 1971, ch. 168, § 1.

15-18-04. Supervision of junior colleges.—The state board of higher education shall prepare and publish from time to time academic standards for junior colleges, provide for their inspection, and recommend for accrediting such academic courses of study offered by them as may meet the standards prescribed. The state board for vocational education shall perform the same functions as to trade courses offered by junior colleges and shall prepare and publish from time to time vocational standards for junior colleges, provide for their inspection, and make recommendations for accrediting such vocational courses offered by them as may meet the standards prescribed.

Source: S. L. 1931, ch. 246, § 3; 1941, 1957, ch. 127, § 1; 1957 Supp., § 15-1804; ch. 256, § 1; R. C. 1943, § 15-1804; S. L. S. L. 1965, ch. 125, § 1.

15-18-04.1. Establishment of off-campus educational center—Tuition and fees—Use of tuition and fee revenue.—The school board of any school district which includes a city having a population of more than seven thousand five hundred according to the latest federal census, may enter into an agreement with a state-supported institution of higher education for the establishment and maintenance of an off-campus educational center offering college or university level courses, provided such agreement is approved by the state board of higher education. The school shall determine the tuition and fees to be paid by all students attending the off-campus educational center, regardless of their residence, and these charges may be at a different rate for the students nonresident in the district than for students resident in the district. Tuition and fee revenue may be used to retire bonds issued in accordance with section 15-55-18.

Source: S. L. 1961, ch. 154, § 1; 1971, ch. 168, § 2.

15-18-04.2. Mill levy for off-campus educational facilities—Election.—For the purpose of maintaining and operating such off-campus educational center the school board may submit the question of a mill levy specified by the board, not to exceed eight mills, to the electors of the district at any regular or special school election within the district. If approved by sixty percent of the electors voting, the school board may proceed with the levy and collection of the tax. Such levy shall be in addition to all other mill levy limitations provided by law, and the proceeds shall be placed in a separate fund, accounted for separately, and used exclusively for the support, operation, and maintenance of such off-campus educational center. Expenditures may be made by the school board without going through the institution of higher education with whom an agreement has been entered.

Source: S. L. 1961, ch. 154, § 2.

15-18-05. County levy to aid junior college or educational center authorized.—The board of county commissioners of any county, or part of a county, in which a junior college or off-campus educational center of a state-supported institution of higher education has been established, or any county, or part of a county, adjacent thereto, may upon approval of the electors of such county at a countywide election, levy a tax of not exceeding five mills upon all property in such county, to aid any special school district having established a junior college or off-campus educational center of a state-supported institution of higher education. The mill levy herein authorized shall be over and above any mill levy limitation provided by law. At any time after the approval of such levy, upon petition of five percent of the electors voting in the last preceding countywide election, the county commis-

sioners shall submit the question of the continuance of such levy to the next countywide election, and if the majority of the electors shall vote to discontinue such levy, the levy shall be discontinued in subsequent years.

Source: S. L. 1957, ch. 127, § 2; R. C. 1943, 1957, Supp., § 15-1805; S. L. 1961, ch. 155, § 1.

15-18-06. Proceeds of levy to be certified to special school district.—The proceeds of any tax levy hereby authorized shall be certified quarterly to the treasurer of any special school district having established such junior college or off-campus educational center of a state-supported institution of higher education and shall be placed in a special junior college fund or an off-campus center fund and shall be expended for the acquisition of property, construction, maintenance, and the operation of a junior college or off-campus center of a state-supported institution of higher education.

Source: S. L. 1957, ch. 127, § 3; R. C. 1943, 1957 Supp., § 15-1806; S. L. 1961, ch. 155, § 2.

15-18-07. State aid for junior colleges or educational centers.—There shall be paid to each school district maintaining a junior college or educational center operated by a state-supported institution of higher education meeting the standards and eligibility requirements prescribed in section 15-18-08, out of funds appropriated for this purpose, the sum of two hundred dollars which shall be paid for every student in attendance during the two full semesters or fall, winter, and spring quarters. In addition, the sum of three hundred dollars shall be paid for every student in attendance during the two full semesters or fall, winter, and spring quarters at a junior college or educational center, provided the school district, city, or county shall levy taxes of not less than four mills for the support of such junior college or educational center in accordance with the provisions of sections 15-18-03, 15-18-04, 2, or 15-18-05. For the purpose of this section, a "student" shall mean a person enrolled and in attendance, exclusive of temporary absences, in a junior college or educational center operated by a state-supported institution of higher education for a period of not less than thirty days, and carrying a course of study of not less than twelve class hours during each calendar week in academic courses meeting standards prescribed by the state board of higher education, or in vocational courses meeting standards prescribed by the state board for vocational education. A class hour shall mean not less than fifty minutes of instruction or supervised laboratory training. Each student enrolled for a period of more than thirty days in any one quarter or semester, but less than two complete semesters or three complete quarters, shall entitle the school district to receive proportionate payments based upon the number of weeks the student is enrolled and in attendance, exclusive of temporary absences, bears to the total weeks in the two complete semes-

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ters or three quarters. Such calculations shall exclude weeks of regular vacation time.

If the funds appropriated for the purpose of carrying out the provisions of this section should prove to be insufficient based on the number of students in attendance at a junior college or educational center as provided in this section, the amounts to be paid to such junior colleges or educational centers, shall be reduced in such a manner so that the payments for each student in attendance at a junior college or educational center will be made on a pro rata basis.*

Source: S. L. 1959, ch. 150, § 1; 1961, ch. 125, § 2; 1965, ch. 126, § 1; 1967, ch. 126, ch. 155, § 3; 1963, ch. 143, § 1; 1965, ch. 125, § 1; 1969, ch. 160, § 1; 1971, ch. 169, § 1.

15-18-08. Standards for state aid.—No school district maintaining a junior college or educational center operated by a state-supported institution of higher education shall be eligible to receive payments as provided in section 15-18-07 or as otherwise specifically provided by law unless it was established and eligible to receive such payments on July 1, 1969, and it maintains an enrollment at all times during all semesters or quarters for which payment is made of not less than one hundred "students" as defined in section 15-18-07 and meets either such academic standards as shall be prescribed by the state board of higher education, or the trade standards as shall be prescribed by the state board for vocational education. The state board of higher education shall provide for an annual inspection of each junior college or educational center operated by a state-supported institution of higher education to determine compliance with prescribed academic standards; and the state board for vocational education shall provide for an annual inspection of each junior college or educational center operated by a state-supported institution of higher education to determine compliance with prescribed trade standards.

Source: S. L. 1959, ch. 150, § 2; 1961, ch. 155, § 4; 1965, ch. 125, § 3; 1969, ch. 160, § 2.

15-18-09. Method of payment. — On or before July first of each year, the dean or chief administrative officer of each junior college or educational center operated by a state-supported institution of higher education or the superintendent of each school district claiming state aid payments under section 15-18-07, shall file with the commissioner of higher education a verified statement containing the name and residence of each student enrolled in academic courses for whom payments are claimed, together with a listing of each course of study and the number of class hours for which such student was enrolled and in attendance, exclusive of temporary absences, during each week of the period for which payment is claimed; and such dean, officer, or superintendent shall file with the state director for vocational education a verified statement containing the name and residence of each student enrolled in vocational courses for whom payments are claimed, together

with a listing of each course of study and the number of class hours for which such student was enrolled and in attendance, exclusive of temporary absences, during each week of the period for which payment is claimed. Such other information shall be submitted as may be requested by the state board of higher education or the state board for vocational education. The state board of higher education and the state board for vocational education shall consider all claims submitted for payment from each school district, and shall forward to the director of accounts and purchases a certified list of all school districts entitled to payments under section 15-18-07, together with the amount of the approved payments. The director of accounts and purchases shall immediately issue a warrant to each school district entitled to payment in accordance with the certified statements submitted by the state board of higher education and the state board for vocational education. The decision of the state board of higher education, or the state board for vocational education, as the case may be, in regard to all claims for payment shall be final.

Source: S. L. 1959, ch. 150, § 3; 1961, ch. 155, § 5; 1965, ch. 125, § 4; 1971, ch. 169, § 2.

15-18-10. Junior college boards of control—Expenditures—Budget—Members — Terms — Compensation. — The school board of any public school district maintaining a junior college shall have the authority to appoint a board of control to direct the management and operation of such junior college. The board of control may have the authority to employ teachers and other personnel, prescribe courses of study, and purchase equipment and supplies and may have the duty of generally managing such junior college. The board of control shall prepare and submit to the school board an annual budget for the operation of such junior college, and shall have the authority to approve the expenditure of funds, within the limitations of the budget, and perform such other functions as the school board may prescribe. The school board shall have the right to approve, amend, or deny any decision made by the junior college board of control. The board of control may appoint a secretary to keep the minutes and records of said board.

The board of control shall consist of five members. Each member of the board shall hold office subject to removal at the pleasure of the school board for a term of five years except that the five members first appointed under the authority of this section shall be appointed for the following terms: One for one year, one for two years, one for three years, one for four years, and one for five years as designated by the members of the school board. Any appointment to fill a vacancy shall be for the unexpired portion of the term. Members of the board of control shall serve without pay, but they may receive reimbursement for actual and necessary expenses incurred in the performance of their duties in the same manner and amounts as members of the school board.

Source: S. L. 1967, ch. 127, § 1.

SOURCE: North Dakota Century School Code, 1977
Supplement, pp. 80-82.

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e. One at or near the state school of forestry at Bottineau, at a cost of not more than fifty thousand dollars.

9. * * * [Same as parent volume.]

Source: N.D.C.C.; S. L. 1973, ch. 131,
 § 2.

CHAPTER 15-18—JUNIOR COLLEGES

Section		Section	
15-18-03	Tuition and fees in junior college—Use of tuition and fee revenue — Duty of school board — Tax levy authorized on vote of people — Maintenance of department.	15-18-07	State aid for junior colleges or educational centers.
		15-18-08	Standards for state aid—Review of budgets — Audit of expenditures.
		15-18-09	Method of payment—Verification of students.
15-18-06	Proceeds of levy to be certified to special school district.		

15-18-03. Tuition and fees in junior college—Use of tuition and fee revenue—Duty of school board—Tax levy authorized on vote of people—Maintenance of department.—On or before August fifteenth in each year, the school board of a public school district which maintains a junior college shall determine the rate of tuition and fees required to be paid by all students attending the department, and these tuition and fee charges may be at a different rate for the students nonresident in the district than for students resident in the district. The school board shall have the authority to adopt rules and regulations for classifying students as residents or nonresidents of the district for tuition purposes. Tuition and fee revenue may be used to retire bonds issued in accordance with section 15-55-18. Every public school district maintaining a junior college under the provisions of this chapter may levy a tax of not to exceed eight mills, the proceeds of which shall be used for the maintenance and operation of the junior college. When submitting the question at the election, the board may specify a levy of less than the eight mill limit authorized, and if such a limited levy is approved by the voters, subsequent levies shall not exceed the limited levy without another election authorizing a greater levy, but no election shall ever authorize a greater total levy than eight mills. The tax levy for the support of a junior college shall be in addition to all other levies authorized by law for such school districts, and the proceeds of the levy shall be used exclusively for the support, operation, and maintenance of a junior college.

Source: N.D.C.C.; S. L. 1973, ch. 139, § 1.

Cross-References.
 National Guard Tuition Waiver Act,
 sec ch. 37-07.1.

15-18-06. Proceeds of levy to be certified to special school district.—The proceeds of any tax levy hereby authorized shall be certified quarterly to the clerk of any special school district having established such junior college or off-campus educational center of a state-supported

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institution of higher education and shall be placed in a special junior college fund or an off-campus center fund and shall be expended for the acquisition of property, construction, maintenance, and the operation of a junior college or off-campus center of a state-supported institution of higher education.

Source: N.D.C.C.; S. L. 1975, ch. 144, § 5.

15-18-07. State aid for junior colleges or educational centers.— There shall be paid to each school district maintaining a junior college or educational center operated by a state-supported institution of higher education meeting the standards and eligibility requirements prescribed in section 15-18-08, out of funds appropriated for this purpose, the sum of eighteen dollars and fifty-nine cents per calendar week, which shall be paid for every full-time student in attendance, provided the school district, city, or county shall levy taxes of not less than four mills for the support of such junior college or educational center in accordance with the provisions of sections 15-18-03, 15-18-04.2, or 15-18-05. For the purpose of this section, a "full-time student" shall mean a person enrolled and in attendance, exclusive of temporary absences, in a junior college or educational center operated by a state-supported institution of higher education carrying a course of study of not less than twelve class hours during each calendar week in academic courses meeting standards prescribed by the state board of higher education, or in vocational courses meeting standards prescribed by the state board for vocational education. In addition, an amount equal to the weekly payment made for each full-time student shall be made for each full-time equivalent student enrolled for each calendar week of attendance in an approved academic or vocational program meeting the standards prescribed by the respective boards. The number of full-time equivalent students enrolled in each junior college or educational center for each calendar week shall be computed as follows: the total class hours of all students in attendance, exclusive of temporary absences, who are enrolled in less than twelve class hours, shall be divided by twelve. A class hour shall mean not less than fifty minutes of instruction or supervised laboratory training. Payments shall be made on a fiscal year basis, which shall mean the period from July first of one calendar year through June thirtieth of the following calendar year.

If the funds appropriated for the purpose of carrying out the provisions of this section should prove to be insufficient based on the number of students in attendance at a junior college or educational center as provided in this section, the amounts to be paid to such junior colleges or educational centers shall be reduced in such a manner so that the payments for each student in attendance at a junior college or educational center will be made on a prorata basis.

Source: N.D.C.C.; S. L. 1973, ch. 140, § 1; 1975, ch. 138, § 1.

15-18-08. Standards for state aid—Review of budgets—Audit of expenditures.—No school district maintaining a junior college or educational center operated by a state-supported institution of higher education shall be eligible to receive payments as provided in section 15-18-07 or as otherwise specifically provided by law unless it was established and eligible to receive such payments on July 1, 1969, and meets either such academic standards as shall be prescribed by the state board of higher education, or the vocational standards as shall be prescribed by the state board of vocational education. The state board of higher education shall provide for an annual inspection of each junior college or educational center operated by a state-supported institution of higher education to determine compliance with prescribed academic standards, and the state board for vocational education shall provide for an annual inspection of each junior college or educational center operated by a state-supported institution of higher education to determine compliance with prescribed vocational standards. Each school district maintaining a junior college or educational center shall annually submit a proposed institutional budget to the state board of public school education. The state board of public school education shall review such budgets, and the staff of the state board of vocational education shall provide such professional and clerical assistance as is required for such review. Two copies of each proposed biennial institutional budget, in the same format as prescribed by the office of the budget for the colleges and universities under the state board of higher education, shall also be submitted to the office of the legislative council for the information of the appropriations committees of the legislature. In addition, each school district maintaining a junior college or education center shall at least biennially provide the legislative audit and fiscal review committee with an official audit of their expenditures and activities.

Source: N.D.C.C.; S. L. 1973, ch. 140, § 2; 1975, ch. 139, § 1; 1977, ch. 156, § 1.

15-18-09. Method of payment—Verification of students.—On or before July first of each year, the chief administrative officer of each junior college or educational center operated by a state-supported institution of higher education or the superintendent of each school district claiming state aid payments under section 15-18-07, shall file with the state board of public school education a verified statement containing the name and residence of each student enrolled in academic and vocational courses for whom payments are claimed, together with a listing of each course of study and the number of class hours for which such student was enrolled and in attendance, exclusive of temporary absences, during each week of the period for which payment is claimed. Such other information shall be submitted as may be requested by the state board of public school education. The state board of public school education shall consider all claims submitted for payment from each school district, and shall forward to the director of accounts and purchases a certified list of all school districts entitled to payments

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under section 15-18-07, together with the amount of the approved payments. The director of accounts and purchases shall immediately issue a warrant to each school district entitled to payment in accordance with the certified statements submitted by the state board of public school education. The decision of the state board of public school education in regard to all claims for payment shall be final. The staff of the state board of vocational education shall provide such professional and clerical assistance as the state board of public school education may require in performing the duties required by this section.

Source: N.D.C.C.; S. L. 1975, ch. 140,
§ 1.

RECOMMENDATIONS RELATED TO PLANNING FOR POSTSECONDARY EDUCATION IN NORTH DAKOTA

1. It is recommended that the Commission review and discuss the reports prepared for the Education Commission of the States by the Task Force on Statewide Comprehensive Planning for Postsecondary Education and the Task Force on Coordination, Governance, and Structure of Postsecondary Education.
2. It is recommended that the Commission adopt an approach to comprehensive statewide planning for postsecondary education that includes both "strategic planning" and "tactical planning" as described in these reports.
3. It is recommended that the Commission review the nature of the planning now being done by the State Board of Higher Education and the State Board for Vocational Education to determine the scope of their efforts and the extent to which these efforts might contribute to the work of the Commission.
4. It is recommended that the Commission adopt the following definition of the term postsecondary education until there has been enough discussion of the meaning of that term to permit agreement on more restrictive wording: "Postsecondary education consists of all organized opportunities for learning offered to persons who have completed or left elementary and secondary schools."
5. It is recommended that the Commission concentrate its efforts initially on opportunities for learning that are offered by educational institutions with the understanding that opportunities offered by other types of institutions, organizations, or agencies will be considered at the earliest possible date. The following working definition might be helpful: "Postsecondary education consists of all organized opportunities for learning offered by educational institutions to persons who have completed or left elementary and secondary schools."
6. It is recommended that the Commission initiate efforts as soon as possible to develop a comprehensive long-range plan for postsecondary education in North Dakota that will reflect widespread consensus on fundamental assumptions about the nature of postsecondary education in the state, needs for postsecondary education during the years ahead, goals and objectives related to these needs, and institutional missions, roles, and functions that will lead to the most effective and efficient use of available resources, but with the understanding that this long-range plan may need to be revised within three to five years.
7. It is recommended that the Commission initiate a series of task forces (or technical committees) to assist in the development of this long-range plan and to deal with some of the issues identified earlier in this report.

Appendix D (continued)

8. It is recommended that the Commission pay particular attention to the need for appointment of citizens to these task forces (or technical committees) who are not employed by educational institutions and who can look beyond the interests of any particular type of institution in making recommendations for public policy.
9. It is recommended that the Commission also include on these task forces appropriate representation from the various types of institutions offering such programs (including faculty members and students as well as administrators) and from the various state agencies having responsibilities closely related to postsecondary education.
10. It is recommended that the Commission proceed in its planning activities with the understanding that all reports from the various task forces will be referred to the State Board of Higher Education, the State Board for Vocational Education, and other appropriate agencies or organizations for their consideration prior to final action by the Commission.
11. It is recommended that the Commission consider the possibility of requesting staff assistance from the State Board of Higher Education and the State Board for Vocational Education in carrying out its responsibilities under the law.
12. It is recommended that the Commission consider the possibility of requesting state funds if additional assistance of this kind is needed.
13. It is recommended that the first task force be given responsibility for determining on a programmatic basis what the needs for postsecondary education in North Dakota are likely to be during the next ten to twenty years, including a review of recent trends in enrollments at the various types of institutions offering postsecondary programs and consideration of alternatives related to the flow of students among these institutions.
14. It is recommended that the second task force be given responsibility for identifying long-range goals and objectives that would seem to be most appropriate for North Dakota during this period.
15. It is recommended that the third task force be given responsibility for developing recommendations related to institutional missions, roles, and functions that will contribute to the most effective and efficient use of resources.
16. It is recommended that the fourth task force be given responsibility for preparing a comprehensive report on methods of financing postsecondary education in North Dakota, with emphasis on costs of instruction at public institutions of higher education and costs of vocational education programs approved and funded by the State Board for Vocational Education.
17. It is recommended that the fifth task force be given responsibility for developing recommendations related to the collection, compilation, and distribution of information required for comprehensive and continuous planning at both state and institutional levels.

SOURCE: McKinney, T. Harry, Harclerod, Fred F., and Martorana, S. V. Postsecondary Education in North Dakota: An Agenda for Future Planning. Bismarck: North Dakota Postsecondary Education Commission, September 1977.

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