

Chancellor Bill Goetz
Higher Education in North Dakota

Today

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Delta Cost Project

In July 2009, the Delta Cost Project released a white paper titled *The Dreaded P Word: An Examination of Productivity in Public Postsecondary Education*. This report relates state and student spending on higher education to the market value of degrees and credentials produced. North Dakota ranked among the top five states in regard to market-based productivity. Another interesting study result – the highest proportion of STEM credentials are produced in North and South Dakota. A summary of this document put together by our office is attached to my chancellor's report. I hope you will find this information useful.

MHEC Policy Summit

My thanks to the board members, presidents and legislators who attended the Midwest Higher Education Compact annual policy summit Nov. 9 and 10 in Fargo. I believe the summit created a valuable dialogue about improving postsecondary access and completion rates for all citizens.

Online Instruction

An important part of providing high-quality online education is integrating the latest instructional technology into course development and delivery. In October, 55 University System online faculty, instructional designers and distance education coordinators and representatives from two tribal colleges met for a two-day facilitated discussion of three important issues in e-learning: quality of course design, quality of teaching and quality of student learning. This event was convened by the NDUS Online.

State Scholarship Programs

Significant progress has been made on implementation of two state scholarship programs funded by the legislature during the last legislative session. They are the North Dakota Academic Scholarship and the Career and Technical Education Scholarship. The University System Office is working on this important program with the Department of Public Instruction and Career and Technical Education. Counselors have been notified, and the word is getting out. The group has developed a brochure that is available on the DPI Website at: <http://www.dpi.state.nd.us/resource/act/act.shtm>

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Review of General Education Requirements

Do college graduates have the writing and critical thinking skills needed to work in today's global economy? This is one of the questions being asked of higher education throughout the nation. I'm pleased to report that, here in North Dakota, a grassroots, faculty-led group has begun to review general education requirements to determine their relevancy to faculty expectations of students and to today's workforce. All 11 campuses and some tribal colleges participated in a meeting of the group here at Minot State on September 18. Lisa Johnson, NDUS director of articulation and transfer, is representing the University System in these discussions. At the present time, all system campuses have basically the same general education categories, but courses within the categories vary. One of the group's first priorities will be to ensure commonality among general education requirements.

NDSU Presidential Search Committee

Board president Richie Smith and I have received a tremendous amount of input on potential members for the NDSU presidential search committee. The challenge has been narrowing this list down to a workable committee size. We will be bringing a draft committee membership list to this board for approval later on today's agenda, but I want to publicly thank all of the people who submitted names. I believe we will be moving forward with an excellent cross-section of representation.

Project Vital Link

One of the ways this board reaches out to North Dakota middle and high school students is through *Project Vital Link*. A key part of this initiative is producing a series of publications targeted at specific age groups and distributed to students either through their counselors or via direct mail to their homes. This project involves significant collaboration with the campuses and state agencies. I'm pleased to provide board members copies of the 2009-10 publications.

The Delta Cost Project: A Perspective on Higher Education in North Dakota

November 2009

In July 2009, the Delta Cost Project released a white paper titled The Dreaded P Word: An Examination of Productivity in Public Postsecondary Education. This report presents a new market-based methodology for estimating productivity in state public higher education systems and compares results across the states.

*Funded by the Lumina Foundation for Education and authored by Patrick Kelly, senior associate at NCHEMS, the study relates state and student spending on higher education to the market value of degrees and credentials produced. According to a news release: **The market-based productivity estimates show that the costs per credential are lowest in Florida, Colorado, Washington, Utah and North Dakota; these states convert resources into credentials that have value in their marketplaces.***

Additional References to North Dakota:

- “The highest proportions of STEM credentials are provided in North and South Dakota ... “ (p. 17)
- “...Colorado, North Dakota, Washington, Minnesota, and New Hampshire are among the best-educated states and exhibit high levels of productivity.” (p.23)
- “Despite producing a relatively large number of degrees with low levels of resources, North Dakota and West Virginia lose a substantial number of graduates to other states that have more vibrant economies.” (p.23)
- “... from 1995 to 2000, Indiana was a net exporter of more than 1,400 engineers. South Dakota experienced a net loss of nearly 500 engineers, and the same was true in North Dakota (a net loss of more than 400 engineers). These three states rank very well among states in STEM production and, therefore, the larger issue they face is the creation of an economy that can employ their graduates.” (p.17) Summarized another way, “...the productivity of the public postsecondary education system is less an issue than the ability of the state to

create and sustain an economy that can retain the graduates they produce.” (p.11)

Also of note, the average salary of adults who hold bachelor’s degrees in each state was given a weight of 1.00. A bachelor’s degree in a STEM field in North Dakota earned a weight of 1.29, indicating that a working-age adult who holds a bachelor’s degree in a STEM field earned a salary 29 percent higher than the average. Having an associate’s degree in a STEM field in North Dakota earned a weight of 1.57, the highest associate degree weight in the study. This indicates that, on average in North Dakota, working-age adults who have associate degrees in STEM fields earn higher salaries than bachelor’s degree recipients or STEM bachelor’s degree recipients. (p.30)

According to the report, this market-based methodology is useful at a state-policy level, both to look at spending in comparison to the market value of the degrees and credentials produced and to compare overall productivity to the performance of postsecondary education in other states. Unlike other measures, this new method takes the two- and four-year transfer mission into account; a state that has a successful transfer function will show higher productivity in the production of bachelor’s degrees. (p. 27) (The SBHE has implemented comprehensive policies promoting seamless transfer.) The report also

suggests that the agenda for policymakers in states with high productivity and few resources should focus on targeted investments and the production of degrees in high-demand fields. (p. 26.)

Finally, the report suggests that, “Graduation rates are not particularly good measures for gauging the overall productivity of state systems” and suggests that, “Certificates and degrees awarded as a percent of the number of students enrolled” would be a better measure.

To read the full report, go to: http://deltacostproject.org/resources/pdf/Kelly07-09_WP.pdf

The closer a state is to the upper left-hand corner of Figure 1, the lower its cost and higher its productivity. The closer a state is to the lower right-hand corner, the higher its cost and lower its productivity. Since North Dakota is the second closest state to the upper left hand corner, behind only Colorado, it could be argued that North Dakota has the second most productive university system in the country, given the resources available. (Colorado higher education is undergoing a major funding transition which likely results in its high productivity ranking. The long-term impact of this funding transition has yet to be determined.)

Productivity vs. educational attainment of the adult population

