



## Midwestern Higher Education Compact

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### MHEC State Legislatures and Higher Education Summer 2008 Update<sup>1</sup>

The Midwestern Higher Education Compact (MHEC) monitors and reports on the development, enactment, and implementation of state-level initiatives related to higher education policy, programs, and budgets in MHEC states. Written reports, incorporating the contributions of legislative liaisons from state higher education offices, summarize the status of initiatives in each state. MHEC publishes legislative updates mid-session and after the conclusion of sessions in states where the legislature is part-time.

What follows is a summary of bills, resolutions, and proposed legislation related to postsecondary education that emerged from state legislative sessions as of July 2008. Sessions have concluded in Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, and South Dakota. North Dakota’s legislature meets biannually and did not meet in 2008; however, interim committees meet and proposals are prepared during off years. Four of the MHEC states – Illinois, Michigan, Ohio, and Wisconsin – have full-time legislatures that meet in session throughout the year. Table 1 below lists the 2008 start and end dates of the legislative sessions for MHEC member states.

#### 2008 Legislative Sessions for MHEC States

MHEC States	Session Begins	Session Ends
Illinois	January 9	N/A
Indiana	January 14	March 14
Iowa	January 14	April 26
Kansas	January 14	May 29
Michigan	January 9	N/A
Minnesota	February 12	May 19
Missouri	January 9	May 30
Nebraska	January 9	April 17
North Dakota	No regular session in 2008	
Ohio	January 2	N/A
South Dakota	January 8	March 17
Wisconsin	January 15	N/A

<sup>1</sup> This report was compiled by Ann Grindland, MHEC director of special projects and senior research associate, with contributions from contacts in each of the MHEC member states.



The following information was obtained from postsecondary education officers and legislative liaisons in each of the states, legislative and higher education system websites, and published media. Information was cross-checked in the event of conflicting reports or uncertainty of outcomes. Information is subject to change in states where legislatures continue to meet or will reconvene prior to the end of the year. While reasonable efforts were made to ensure the accuracy of the information contained in this policy brief, readers are advised to consult the appropriate party in the state(s) in question before reproducing or presenting information as fact to third parties. Comments, corrections and updates are welcomed.

## Illinois

The 95th Illinois General Assembly faced urgent concerns about state finances, pressures for investment in a capital program, and questions about how to raise the revenue to pay for demands on the state's budget for fiscal 2009.

On May 31 the General Assembly passed a \$54 billion state budget. In June, Governor Blagojevich indicated he would veto the part of the budget that was out of balance (at least \$1.5 billion) unless the House passed legislation already approved by the Senate to raise revenues through fund transfers and increased gaming.

On July 9 the governor vetoed \$1.4 billion of the FY 2009 appropriations – including \$100 million in education cuts. The governor's cuts included \$18 million in cuts to the Monetary Award Program (MAP), a financial assistance program for low-income students; \$22 million in grants for health care education services; \$5.6 million in higher education tuition support; and \$10 million for community colleges.

The House subsequently overrode some of the governor's vetoes, but none of those were related to higher education. Both chambers are scheduled to return to the Capital in November for the veto session.

Prior to the vetoes, both houses of the General Assembly had passed SB 1908, sponsored by the Senate Higher Education Committee chairman, raising the maximum award under the Monetary Award Program by \$500 per year for the next three years. When the maximum award was last increased in FY 2002, all public institutions but the University of Illinois had tuition and fees below the maximum award. Today all public universities have tuition and fees that exceed the maximum award.

HB 5109, sponsored by the House Higher Education Appropriations Committee chairman, passed the House, but the Senate did not vote on it. The bill would have established the MAP Challenge Program to link need-based student financial aid to college readiness. Modeled after the 21st Century Scholars Program in Indiana, the proposal established a pilot program through the cooperation of state education agencies to: 1) encourage low-income students to take a college-prep curriculum in high school, 2) provide academic and other support services to help students succeed, and 3) offer a guarantee of financial aid incentives for college upon high school graduation.



HB 5059, which did not pass, would have addressed the nursing shortage by requiring the Illinois Department of Public Health to provide nurse educator scholarships for up to three years. Recipients would be required to work as nurse educators in Illinois for two years for every year of scholarship received. Also, the department would have awarded up to \$100,000 per institution for start up costs and salaries for faculty.

Veterans with one year of active service are eligible for free tuition and fees at state community colleges and public universities. HB 4625 would have mandated that institutions also reimburse veterans for fifty percent of required textbook costs, but this legislation did not pass. The Transparency in College Textbook Publishing Practices Act (HB 4903) did not pass. It would have set requirements for the disclosure of information by publishers when marketing textbooks to faculty at colleges and universities. (The recently passed federal Higher Education Act reauthorization addresses the cost of textbooks by requiring textbook publishers to “unbundle” materials and by requiring colleges to list online the prices of required and recommended textbooks.)

SB 1981 was sent to the Rules Committee and would have created a new incentive for employers and employees to contribute to the state’s college savings program. The bill also would have allowed Illinois employers a tax credit for prepaid tuition programs.

In April an existing task force, the Illinois Campus Security Task Force, submitted recommendations to Illinois Governor Rod Blagojevich. Subsequently, legislation containing a recommendation that all higher education institutions develop NIMS-compliant (National Incident Management System) emergency response plans – and conduct training on them at least annually – was approved. The bill has been sent to the governor for his consideration.

Several task forces are under consideration including those to:

- study issues related to dual credit (House Joint Resolution 36);
- furnish a report concerning business and job development in Illinois; and
- create the Illinois Science and Technology Commission to coordinate efforts to attract, retain, and promote scientific endeavors and research facilities within Illinois.

House Bill 4567 has been enacted and approved by the governor. The bill requires the Illinois Student Assistance Commission to conduct a study of the college application and admission patterns for students designated as Illinois State Scholars in 2008 and 2009.

House Bill 3677 has been signed by the governor and provides that a comprehensive health education program include sexual assault awareness in secondary schools and requires each public university and community college to provide some form of sexual assault awareness education to all incoming students, whether through a seminar, online training, or some other way of informing students.



## Indiana

Indiana's general assembly held a brief, non-budgetary session this year. The issue of property-tax reform dominated the session, and the reforms that passed will expand the scope of state fiscal responsibility to include general funds for K-12 education and other services once the responsibility of local governments.

Education legislation of note that emerged from the session included the following:

- A significant higher education policy bill that dealt with expansion and coordination of dual enrollment course offerings, i.e., courses offered in high school that simultaneously generate high school and college credit for students. HB 1246 establishes the concurrent enrollment partnership to coordinate dual credit programs among Indiana high schools and state educational institutions. The bill also creates an interim study committee on K-12 virtual learning.
- HB 1049 removes the time limit that stated a student was eligible to receive financial aid grants for not more than ten years from the date the student first received a grant. The bill also repeals a section concerning a time limit for the use of financial aid awards made to part-time students.
- HB 1249 requires universities to waive tuition for Purple Heart recipients for one year until the new biennial budget is passed. The bill also requires a study of tuition and fee exemptions awarded by state educational institutions under reciprocity agreements with other postsecondary institutions.
- SB 22 adds another non-traditional entry path to teaching by permitting individuals with subject matter graduate degrees and experience teaching in a college setting to teach in middle and high school teacher shortage areas without completing a formal teacher preparation program. HB 1210, which was vetoed by the governor, would have provided alternative criteria for teacher certification for individuals who fail the Praxis I teacher licensing examination at least two times.
- HB 1193 creates an interim study committee on the adult education funding and delivery system.
- HB 1280 requires the environmental quality service council to study whether public entities should be required or encouraged to seek to achieve energy and environmental design ratings in the construction and renovation of buildings and structures.
- HB 1204 limits the number of 911 call centers in each county to two by 2013. College and university operated 911 call centers were excluded from the count.

## Iowa

The Iowa legislative session adjourned April 26. Most budget categories, with the exception of education and human resources, generally received status quo funding for FY 2009. The most recent official Iowa state revenue estimate pegged FY 2009 state net general fund revenues at slightly over \$6 billion, an increase of 2.1 percent over the FY 2008 estimate. Education base funding will increase approximately \$60 million in FY 2009, much of which will pay for the second year of a two year initiative to increase average salaries of teachers in the K-12 system.



### Appropriation Bills

The three public Board of Regents universities had requested an increase of \$44 million for FY 2009 salary increases. As a result of HF 2700, approved by the legislature and signed by the governor, the Board of Regents universities will receive an increase of \$41.6 million to be divided among the three institutions. This marks the second year in a row that full or nearly full funding of the salary increase request was provided.

HF 2679, the education appropriation bill, will provide FY 2009 base funding for the three Regents universities at essentially the FY 2008 level. In total, HF 2679 provided approximately \$635 million in operating funding for the universities. Some new initiatives funded include a \$4 million appropriation for a collaborative initiative by the Regents universities to increase the number of math and science teachers for the K-12 and community college systems; work study funding was increased by \$322,000; and operating funding for Iowa Public Radio stations at the Regents universities was increased by \$500,000.

Senate File 2432 provided funding for a variety of infrastructure-related projects at the Regents universities. A total of \$24.3 million was provided to pay for the current year's cost of paying for revenue bonds issued in previous years for academic building projects on the campuses. The bill provided \$2 million for infrastructure needs at Iowa Public Radio and \$1.8 million for planning the second phase of an expansion of the College of Veterinary Medicine at Iowa State University.

A variety of appropriations were made to the University of Iowa for health and human services provided by the University of Iowa Hospitals and Clinics (UIHC). A total of \$36 million in additional funding was authorized for patient care at the UIHC, as well as \$100,000 for child vision screening, and \$100,000 for primary pediatric dental care services.

### Policy Bills

- HF 2690 provides that higher education institutions develop a code of conduct governing education loan activities and names a number of prohibited activities designed to ensure that students are fully aware of their options to receive public sector loans in addition to private sector loans.
- HF 2212 prohibits smoking in all public areas, including all buildings and grounds at schools, colleges, and universities.
- HF 2197 encourages universities and community colleges to post ISBN numbers for all textbooks at least 14 days before the start of each semester.
- SF 517 defines "green" building standards that apply to public buildings, including those at university campuses.
- HF 2645, which was vetoed by the governor, would have allowed "open scope" bargaining by public employee unions, permitting negotiation of a wider range of issues.

### Special Session

As of mid-June, 83 of Iowa's 99 counties had been declared state disaster areas because of flooding and other severe weather events. Following an assessment of damage recovery needs, the governor is expected to decide whether to call a special session of the legislature. The



University of Iowa suffered extensive damage to several buildings near the Iowa River with estimated losses of \$231.75 million.

## Kansas

The legislature completed its 2008 session on May 29. Two items that were approved by the legislature included additions to the Postsecondary Operating Grant (\$10 million) and the Kansas University School of Pharmacy Expansion (\$6 million). Also, a bill prohibiting “cyberbullying” (HB 2758) was signed by the governor.

Through an executive order dated April 2, Governor Sibelius created a 15-member P-20 Education Council to improve student achievement by creating a collaborative, seamless education system. The Kansas State Board of Education and Kansas Board of Regents will each appoint two members and will coordinate staff efforts. The governor will appoint co-chairs once all appointments have been made.

A number of policy issues were debated, including scholarships, in-state tuition for undocumented immigrants, and teacher certification. However, none were enacted into law.

Approved items included:

- State Employee Pay Plan, which authorizes \$15 million for market adjustments for state employees whose salaries lag behind their private sector counterparts and includes a longevity payment of \$50 for each year of service.
- Kansas Academy of Mathematics and Science Funding, \$4.3 million over the next six years
- Kan-ed Funding (a program created by the Kansas Legislature and administered through the Kansas Board of Regents to expand the collaboration capabilities of K-12 schools, higher education, libraries, and hospitals with the use of technology), \$2.5 million
- Partnership for Faculty of Distinction Program Cap Increase – raised the current \$5 million cap by \$1 million each year over the next three fiscal years

At the end of June, the governor’s office asked all state agencies to reduce their budgets by two percent for the current fiscal year and five percent for the next fiscal year. The Kansas Board of Regents will receive budget-cutting plans from their universities by August 15.

## Michigan

The Michigan legislature meets year-round. What follows is a summary of passed or proposed statutes affecting higher education policy and budget in the state since the beginning of the year.

### State appropriations recommendations

This year, the governor proposed a three percent increase for the higher education budget with a performance funding formula designed to encourage college completion, enrollment of Pell-eligible students, and commercialization of research. The minimum increase was set at 2.3 percent, a conservative estimate of inflation. Among other changes, the Senate removed the



performance funding model and passed a three percent across the board increase for all 15 public universities. The House followed suit. Due to a \$400 million revenue shortfall, higher education ended up with a one percent across-the-board increase. The legislature has adjourned for the summer.

#### In-state tuition policy for military service personnel

In late fall of 2007, the Department of Defense approached state policy makers and suggested that Michigan was one of two states in the nation that did not have in-state tuition policies sufficient for the unique circumstances faced by military personnel. In part, Michigan was listed because there are no statewide policies governing admissions to state higher education institutions. HB 5173 was passed, which penalizes institutions not in compliance with the Department of Defense's expectations. The state universities now grant in-state tuition to active duty members, their spouses, and dependents if the member of the armed forces is a Michigan resident or is stationed in Michigan. Additionally, the universities continue to work to identify and eliminate other obstacles faced by students from military families. (The recently passed federal Higher Education Act reauthorization requires states to grant in-state tuition for military, their spouses, or their dependent children.)

#### Michigan 10 percent plan

A Michigan lawmaker proposed a constitutional amendment that would guarantee undergraduate admission to any public college or university in Michigan for residents who graduate in the top 10 percent of their high school class. The proposed constitutional amendment, modeled after a similar program in Texas, must pass both houses of the Michigan legislature and win a majority of votes in the fall election. To date, lawmakers have not acted upon this legislation.

#### Study of need for community college applied baccalaureate degree

The Department of Labor and Economic Growth is conducting a study of the need for the applied baccalaureate to be offered in applied sciences and technologies, pursuant to SB 234. The key findings show that of 23 respondents, 21 community colleges have interest in offering an applied baccalaureate. Seventeen of those institutions listed nursing as one of the fields. Michigan currently has a mechanism for offering baccalaureate education on community college campuses through the establishment of university centers. The Presidents Council, State Universities of Michigan, has followed up with three studies of its own.

#### Development of P-20 e-transcript data tracking system

In December of 2007, the Michigan Department of Education and the Center for Education Performance Indicators (CEPI) began a conversation to explore the possible creation of a P-20 data tracking system through the initiation of an e-transcript project. In January, Docufide was brought in to conduct an informational session for a small group of higher education professionals and state policymakers. As a follow up, CEPI hosted a "spotlight" process for three e-transcript vendors – Docufide, National Transcript Center, and ConnectEdu. In upcoming months the state may consider a formal request for proposals contingent upon the availability of funds.



## Minnesota

The state legislature considers appropriations for higher education operating budgets and capital budget requests in alternate years. On February 12, 2008, this year's "short" session began to address capital budget requests. While legislators typically do not consider operating budget proposals in the second year of the biennium, the state had to resolve a \$935 million budget deficit or 2.7 percent of Minnesota's \$34.8 billion biennial budget.

Minnesota's governor recommended that higher education reduce its current biennial budget by \$51.5 million, about 1.6 percent. The final outcome was more favorable to higher education. The cut to higher education totaled \$21.6 million for the 2008-2009 biennium. Specifically, the Minnesota Office of Higher Education's budget was cut \$1.4 million, the University of Minnesota's budget was cut \$12.3 million and the Minnesota State Colleges and Universities system's budget was cut \$7.9 million.

The governor proposed changes to the Minnesota State Grant program, a need-based grant program, to maximize the savings realized in the program as a result of the federal Pell Grant increase. A range of changes were under consideration throughout the legislative session to determine how best to spend the \$11.3 million state grant surplus. Recommendations included reducing the student share, reducing the assigned family responsibility, and increasing the four-year tuition maximum three percent.

The final bill allocated \$9.4 million to the living and miscellaneous expense with the remaining amount left in the state grant for a safety net. The governor's ACHIEVE program that was originally slated for a \$7 million cut in the bill was restored and will remain whole. ACHIEVE, or Academic Competitiveness Highlighting Individual Excellence and Valuing Education, is an initiative from the 2007 legislative session that allows high school students to earn college credit and receive a scholarship to any Minnesota college or university. Language specified that the Minnesota State Colleges and Universities system is required to reallocate \$9 million to keep tuition increases for 2009 to no more than two percent at state colleges and three percent at the state universities.

The University of Minnesota and the Minnesota State Colleges and Universities requested a total of \$495.6 million in campus construction and renovation projects. The governor's capital budget recommended a total of \$228.4 million. The House and Senate agreed on a bill that would fund \$339.6 million in capital projects for higher education and \$585 million in projects in non-higher education areas of the budget. The governor pared down the \$925 million bonding bill to \$717 million with line-item vetoes. After the vetoes and without including the required match, the University of Minnesota would receive state issued bond authority for approximately \$105 million, and the Minnesota State Colleges and Universities for about \$177 million. The University of Minnesota also received up to \$219 million (75 percent of the cost) for a biomedical science research complex, which is to be paid by the state from 2010-2040.

A proposal to create a P-20 council to replace the existing P-16 council was in the final E-12 education policy bill, but it was vetoed by the governor. The new provision would have added four legislators to serve on the council.



A pilot program called the “Power of You” was proposed to give low-income high school students the opportunity to attend college, tuition free for two years. Interest was expressed in expanding the program beyond the pilot program created in 2006 at the Minneapolis Community and Technical College and Saint Paul College. The original Power of You program was funded by private foundations and from business donations with hopes of the state taking on responsibility for funding the program in the future. The House proposal funded \$3.8 million in this program from a surplus generated in the Minnesota State Grant Program as a result of increased Pell Grant awards. The final legislation on the Power of You did pass, but the program was funded \$600,000 one time from the general fund for Minneapolis Community and Technical College, Saint Paul College, and Metropolitan State University. The final language did not include funding for the suburban and rural pilot programs as originally proposed.

The House bill also proposed to take \$200,000 from the State Grant Program for a pilot program to recruit teachers of color. The final legislation funded the Teachers of Diverse Backgrounds program at \$120,000 one time from the general fund. The pilot program to increase the number of teachers of diverse backgrounds is to be implemented at Winona State University in partnership with the Rochester school district and St. Cloud State University in partnership with the Robbinsdale school district.

Following up on legislation passed in 2007, language was included in the final higher education policy bill to have the Minnesota State Colleges and Universities report on waivers granted under a provision to limit two-year degrees to 60 credits and four-year degrees to 120 credits. This limitation was imposed as a means to cut college costs to students.

A change to the Minnesota State Colleges and Universities Board of Trustees was proposed—four, current at-large positions would be replaced with representation from collective bargaining units. The governor was opposed to this change. The compromise that lawmakers passed and the governor signed was a change in the make-up of the Board of Trustees to include one labor member appointed from recommendations by the AFL-CIO.

Efforts also have been made to reconcile the difference in parental notification provisions between the Minnesota Government Data Privacy Act and federal FERPA after several campus communities witnessed the deaths of young people due to excessive alcohol consumption and related high-risk behaviors. Students have lobbied legislators against this proposal. The final legislation that passed included this proposal with the language that the student has to sign a waiver in order for this information to be released to the parent(s).

Legislation passed that provides for a student unit record data system in which the Minnesota Department of Education and the Office of Higher Education can share educational data to analyze and improve instruction. This limited data sharing between agencies is an initiative of the Minnesota P-16 Partnership.

New legislation requires the Office of Higher Education to include in the ongoing study of the Minnesota State Grant program an evaluation of enrollment patterns of students from low-income families.



## Missouri

Higher education was a major topic of discussion among policymakers in Missouri during the 2008 legislative session, which adjourned on May 16. Significant areas of debate included increased funding for operating budgets, strategic initiatives, and policy issues, which included immigration, scholarship programs, and several other miscellaneous items.

As part of a \$22.4 billion operating budget, postsecondary institutions received a 4.4 percent increase on average for their FY 2009 operating budgets. The St. Louis campus of the University of Missouri System received a one-time allocation of \$2.4 million for an equity adjustment. For the first time since 2000, the state's public higher education system received funds for capital improvement projects on campuses. In mid June, the governor announced a plan to release \$2.3 million in reserve funds out of lottery proceeds to public higher education institutions for economic development initiatives.

Leaders from public institutions across the state collaborated to develop a strategic initiative, which was also supported by the governor, called the Preparing to Care initiative in order to increase the numbers of graduates in professional health fields. Neither the House nor the Senate approved any funding for the initiative.

Access Missouri, a new scholarship program created in the 2007 legislative session as a means of providing assistance to students in financial need, was a subject of debate in the 2008 session. Lawmakers approved nearly \$96 million for the program, a one-third increase in funding. The Missouri Department of Higher Education predicted that many students from relatively affluent families will be eligible to receive this "need-based" award.

The FY 2009 budget provided a \$3.5 million increase for the A+ Schools Program. HB 2191, signed by the governor, allows school districts to participate in the A+ schools program irrespective of their accreditation status as long as the district meets all other requirements. The bill also allows students attending private technical colleges that meet certain criteria to receive A+ Scholarships.

The Immigration Omnibus bill (HB 1549) stated that individuals unlawfully present in the U.S. are barred from receiving "public benefits," including "postsecondary education." Applicants for such benefits must provide proof of their immigration status at the time they apply for admission.

The Missouri Returning Heroes Education Act restricted tuition to \$50 per credit hour for certain combat veterans at Missouri public institutions of higher education.

HB 2048 required publishers to provide consumer information about textbooks upon request. Such information includes pricing and revision history and also requires "bundled" material to be made available for separate purchase in most situations. (The recently passed federal Higher Education Act reauthorization also addresses the cost of textbooks by requiring textbook publishers to "unbundle" materials and by requiring colleges to list online the prices of required and recommended textbooks.)



HB 1869, signed by the governor, mandates all statutory references to “junior college” be replaced with “community college.”

Bills that were not adopted include:

- HB 1577, which would have created a “Completer Scholarship” to provide monies to students who get their general education credits at community colleges and transfer to four-year institutions.
- SB 1221, which would have established the P-20 Council as a private non-profit corporation on behalf of the state.
- HB 2159, which would have made it a crime to sell fraudulent diplomas or transcripts.
- SB 873, which was vetoed by the governor, and HB 1912, which did not pass, would have provided for the boards of at least one public higher education institution in Missouri to have a voting student member.

## Nebraska

The 2008 Nebraska legislative session concluded April 17 after a busy short session. Though the next biennium budget will not be approved until 2009, budget concerns loomed over the session. The legislature’s fiscal office is projecting a budget shortfall of about \$200 million for the next biennium, and revenue growth rate forecasts are below average. With few exceptions, these concerns prevented senators from approving proposals that dipped into the state’s cash reserve.

The legislature did approve an increase of \$65,500 to the Access College Early program for the 2008-09 year. The program pays the tuition costs for low-income high school students taking college classes. Last year, the original appropriation of nearly \$50,000 lasted only a few months. The legislature also approved \$20 million for the University of Nebraska and Nebraska State College System for a combined student information system.

Though state institutions are not facing any real budget cut threats yet, the University of Nebraska has projected a budget shortfall for the next year due to salary, facility, and health insurance increases. The University’s Board of Regents approved a six percent tuition increase for the 2008-09 year; the Nebraska State College System trustees approved a tuition increase of 5.9 percent for the 2008-09 year.

Nebraska’s unicameral body addressed many key K-12 issues in 2008. However, few higher education proposals surfaced during the session. Two politically-charged bills caused concern for higher education officials at the start of the session, but ultimately neither advanced out of committee. The sponsor of a constitutional amendment to end affirmative action withdrew the proposal before the committee hearing. Another bill to fight illegal immigration by requiring all state agencies, including state higher education institutions, to verify citizenship was defeated by the committee despite its support from the governor and attorney general.

The Education Committee considered a bill to award \$2,000 scholarships to Nebraska students who score in the top five percent on the ACT and who attend a Nebraska college or university. Though the bill had strong support, the committee’s inaction was likely due to the program’s



cost. A bill making small adjustments to the community college funding formula received approval. Another bill encouraged the Nebraska Department of Economic Development to make use of community colleges when awarding job training grants. The governor's proposal to bring high-paying jobs to the state with tax incentives received strong support as well.

## North Dakota

North Dakota did not have a regular session in 2008, but budgets are prepared and interim committees meet during the year. The North Dakota University System (NDUS) reported that its FY 2009-11 budget request includes a number of strategic investment opportunities to address affordability and accessibility; to enhance student preparation, retention and graduation; and to increase the contributions of the NDUS to the state's economy.

The North Dakota University System outlined the following higher education needs going into next year's legislative budget session.

### A more affordable education

More than 75 percent of North Dakota students apply for financial aid. While the majority receives some assistance, an increasingly larger portion of aid comes in the form of loans rather than grants. Students also take on substantial amounts of non-federally insured debt. As a result, the NDUS budget request includes a 240 percent increase in funding for needs-based financial aid and limits tuition rate increases.

### Faculty/staff salaries and benefits

The need for funding to address NDUS salary gaps is compounded by a competitive national marketplace with looming worker shortages. To begin addressing this, the NDUS budget request includes seven percent average annual salary increases.

### Parity and equity in the base operating budget

On average, NDUS institutions receive significantly less state funding than similar peer institutions. Additional funding will allow the NDUS to maintain current services and respond to North Dakota's needs by adding new academic programs and building upon existing areas of strength.

### Technology

NDUS will need to expand the technological infrastructure that supports research, enhances student learning in the classroom, and extends delivery methods to students. State funding will leverage additional federal funding in order to maintain North Dakota's electronic communication infrastructure and upgrade teaching and research laboratories.

### Campus security and emergency preparedness

Providing a safe environment for the people on NDUS campuses is a high priority. Funding is needed to develop plans and responses that will ensure safety and continuity of operations in the event of an emergency.



### Deferred maintenance

The NDUS has a substantial deferred maintenance backlog. The condition of some facilities negatively impacts student recruitment and results in higher operating costs, underscoring the importance of this budget priority.

According to the North Dakota Department of Commerce, all areas of the state and nearly every industry are reporting workforce or skill shortages, thereby limiting business attraction and expansion. The budget request includes resources for the NDUS to respond – as a statewide system of higher education – by collaboratively delivering programs to underserved markets through initiatives such as a higher education center and to create public/private partnerships that will stimulate economic growth.

In response to growing state workforce shortages, the NDUS budget request provides resources to begin implementing some P-16 Education Task Force recommendations. The focus of this multi-faceted effort is to connect students with careers in North Dakota.

Finally, a comprehensive health care delivery plan to respond to the state's looming shortage of health care providers is being proposed. Funding for development and implementation of this plan by the University of North Dakota School of Medicine and Health Sciences is included in the NDUS budget request, as are financial incentives to encourage family medicine practitioners to work in rural areas of the state and funding for development of a new master's degree in public health.

An interim legislative study committee has been conducting a study of the state's higher education system. In April, the committee decided on the following goals for the state:

- Maintain the highest percentage of residents having attained an associate's degree or higher as compared to any country;
- Improve the level of educational attainment for historically disadvantaged populations;
- Ensure recent high school graduates are prepared to succeed in college-level courses without the need for remedial education;
- Ensure appropriate higher education programs are accessible to students in all geographic areas of the state;
- Create additional high-value jobs; and
- Ensure higher education is affordable for both students and taxpayers.

The committee will continue its work and recommend legislation to the 2009 legislature.

### Ohio

At the direction of the governor, Chancellor Eric Fingerhut released his 10-year strategic plan for higher education in Ohio in March. This 10-year plan is intended to raise the state's level of educational attainment and close the gap between Ohio and competitor states and nations. Chancellor Fingerhut presented three overarching goals: graduate more students; keep more Ohio graduates in the state; and attract more degree holders from out of state to Ohio.



In April 2008, economists determined that Ohio will remain on course for slow growth during the next year and a half. Faced with a slowing economy, Governor Strickland made a \$71 million budget reduction; however, no reduction was made to the higher education budget.

HB 119 contained the operating budget for FY 2008 and FY 2009. Total funding for the Ohio Board of Regents from all sources is \$2.8 billion in FY 2008, an increase of 6.9 percent above FY 2007, and \$2.9 billion in FY 2009, an increase of 3.2 percent above fiscal year 2008. Targeted investments include increasing college enrollment by 230,000 students and building Ohio's knowledge economy by equipping more Ohioans with the skills needed and the incentives to enter into a science, technology, engineering and mathematics (STEM) field of study.

Key provisions in the budget bill include:

- An appropriation of \$100 million over the biennium for the Choose Ohio First Scholarship and Research Scholars Program to increase the number of students studying and graduating in the STEM disciplines;
- \$100 million in state Choose Ohio First GRF funds, which will be matched with \$100 million in non-state funds to generate \$200 million over the biennium for grants and scholarships to attract more undergraduates into STEM majors; and
- \$30 million in state Ohio Research Scholars GRF funds, which will be matched with \$20 million to generate \$50 million over the biennium to enable Ohio's campuses to attract and retain premier researchers. (An additional \$72 million over the biennium will be made available from the Third Frontier fund investments. With the passage of HB 381, the program total would be at \$150 million.)

The governor proposed and the House agreed to continue implementing the new Ohio College Opportunity Grant (OCOG) program, funding it at almost \$300 million over the biennium. The executive budget calls for \$8.5 million in grants to facilitate the raising of additional private dollars to help students in need of financial assistance.

The governor's budget also includes the proposal to transfer the responsibility for adult career and technical programs to the Ohio Board of Regents. In addition, the budget calls for increased funding levels to \$2.5 million in 2008 and \$5 million in 2009 for AccelerateOhio, which provides a series of low-cost certificates as an easy vehicle for people to get back into college or into advanced training.

SB 222 contained campus safety legislation based on the Campus Safety Task Force recommendations. This legislation would add a representative from the Ohio Campus Law Enforcement Association to the Peace Officer Training Commission, require the Commission to develop recommendations for training peace officers in conducting law enforcement activities in a higher education setting, and provide qualified immunity to an officer or employee of a private college or university who reports a potential safety risk at the college or university.

Two initiatives that did not pass sought to reduce textbook costs. SB 151 dealt with reducing the high costs of textbooks at state higher education institutions by placing restrictions and requirements on campus bookstores and publishers. HB 535 would have created the E-Book



Higher Education Task Force and required the chancellor of the Ohio Board of Regents to implement e-book programs at all state institutions of higher education. (The recently passed federal Higher Education Act reauthorization also addresses the cost of textbooks by requiring textbook publishers to “unbundle” materials and by requiring colleges to list online the prices of required and recommended textbooks.)

Legislation was passed that allows the state’s technical colleges that are co-located with state university branches to offer baccalaureate-oriented associate degree programs subject to approval from the chancellor.

An item in HB 199 that was vetoed would have created the Higher Education Statewide Purchasing Consortium to be administered by the Inter-University Council of Ohio, and would have required all state institutions of higher education to enter into price agreements offered by the Consortium.

Ohio Governor Ted Strickland signed an executive order establishing The Ohio GI Promise, which changes Ohio’s residence requirements to allow all GI Bill-eligible veterans of the U.S. Armed Services, their spouses, and dependents who choose to attend Ohio colleges and universities to do so at in-state tuition rates as “honorary Ohioans.” In addition to modifying residency requirements for veterans and their families, the executive order also established The Ohio GI Promise Council, launched The Ohio GI Promise Hotline (1-877-VETS-OH-1) and website, scheduled a University System of Ohio system-wide conference on veterans services, expanded the use of Ohio National Guard Scholarships, and called for all Ohio colleges and universities to become “Servicemember Opportunity Colleges.”

The Ohio General Assembly passed an economic development and job creation bill that included the Higher Education Workforce Initiative. This package calls for \$250 million over the next five years to build a jobs pipeline for students to expand internships and co-op programs.

## South Dakota

The 2008 South Dakota legislature adjourned March 17 after passage of a \$74.5 million state bonding package. HB 1085 authorized a state bond issue to finance construction, renovation, and modernization of eleven higher education science facility and laboratory projects. These improvements were considered critical to support the state’s research initiative and to provide contemporary space for teaching. The state will commit \$2.3 million annually to pay off the 25-year bond while students will pay for the remainder through increased fees.

In addition to the bonding package, major legislative actions included:

- State support for ongoing maintenance and repair needs of campus structures;
- Funding of the Research, Education, and Economic Development (REED) initiative, an advanced high-speed broadband network that will connect public university campuses to the national research grid;
- Authority to accept a donated 12-acre parcel of land for the Higher Education Center-West River in Rapid City; and
- Authority for the state to enter into full membership with both the Midwestern Higher



Education Compact (MHEC) and the Western Interstate Commission for Higher Education (WICHE).

As legislative activity ended for another year, several issues are likely to be revisited in the future, including:

- A mobile computing environment for students on all state university campuses;
- A replacement structure for the Higher Education Center-West River, which was lost when the Ellsworth Air Force Base facility was turned over to other uses;
- Increasing the monetary value of the South Dakota Opportunity Scholarship; and
- State support to address inflationary declines in the base budgets of the state's public universities.

## Wisconsin

Wisconsin's 2007-09 state budget, completed in November 2007, funded the University of Wisconsin (UW) system's capital requests and ongoing operations. The budget provided approximately \$40 million for the "Growth Agenda for Wisconsin," which is comprised of regional and statewide initiatives aimed at enrolling and graduating more students. As part of that re-investment, the state also set aside approximately \$10 million in targeted funds to help UW System campuses recruit and retain faculty and research academic staff.

At their June meeting, the Board of Regents of the University of Wisconsin System set tuition for the 2008-09 academic year, freezing tuition for a second consecutive year at the 13 two-year UW Colleges and implementing a 5.5% tuition increase for undergraduate students at other campuses.

The state budget contained a few challenges, including requirements that the UW System "lapse" \$25 million back to the state's general fund in each of the 2007-09 and 2009-11 biennia. Compared to an equivalent cut to the university's base budget, this temporary lapse provides some measure of flexibility.

For the Wisconsin Technical College System (WTCS), the budget set in November preserved local levy limits and required a \$1 million lapse of existing WTCS funding over the biennium. Again, these funds are to be restored to the base in the next budget. This is significantly smaller than the \$14 million cut proposed earlier by the Assembly, which would have reduced WTCS operations by approximately twenty percent.

In April the Board of Regents and UW System President Kevin Reilly announced that the UW System is exploring ways to double the amount of privately funded, need-based financial aid offered across the system's 26 campuses. This "umbrella" campaign is designed to augment federal- and state-funded aid by increasing private contributions to UW campus foundations.

In May, after weeks of negotiations, the Wisconsin legislature passed a compromise budget repair bill to fix a \$650 million revenue shortfall. The legislature's version of the budget included \$69 million in agency lapses during the current and 2009-11 biennia. Governor Doyle used his veto power to amend several provisions, and increased agency lapses to \$270 million. The



Department of Administration (DOA) will determine how those lapses are to be distributed across state agencies, including the state's higher education systems.

Also in May, the legislature's Joint Committee on Employment Relations accepted modifications to a previously approved pay plan for faculty, academic staff, and other non-represented employees. The original pay plan provided a two percent increase in July 2008 and a one percent increase in April 2009. Under the revised pay plan, faculty, academic staff, and other non-represented employees will receive a one percent increase in July 2008 and a two percent increase in June 2009.

The UW System is also working to address a shortfall in funding for veterans' tuition remissions. Under a 2007 Wisconsin state law, resident veterans now receive 100 percent tuition remission at UW campuses. Participation in this program has exceeded expectations, and the \$9.5 million in funding provided by the state in 2007-09 is expected to be over \$30 million less than the university's real costs. The UW Board of Regents approved a resolution requesting full funding for the state-mandated Veterans Tuition Remission program. On June 12 in a joint statement, the Wisconsin Department of Veterans Affairs and the University of Wisconsin System renewed their longstanding commitment to state programs that provide Wisconsin's veterans with valuable opportunities to earn a college degree.