The State Board of Higher Education met November 4, 2010, on the campus of the University of North Dakota at Grand Forks in Rooms 120/121 of the Student Wellness Center. The board president called the meeting to order at 8:48 a.m. CT. Members present:

Mr. Jon Backes, President
Mr. Michael Haugen
Mr. Grant Shaft, Vice President
Ms. Melissa Bonner, Student
Ms. Kirsten Diederich
Mr. Duaine Espegard
Mr. Richie Smith
Dr. John Girard, Faculty Advisor

Staff members present:

Mr. William G. Goetz, Chancellor
Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
Dr. Michel Hillman, Vice Chancellor for Academic & Student Affairs
Dr. Marsha Krotseng, Vice Chancellor for Strategic Planning/Executive Director of CTEC
Ms. Debra Anderson, Public Affairs and Marketing Director
Mr. Randall Thursby, Chief Information Officer
Ms. Erika Lorenz, Secretary
Ms. Marietta Kemmet, Secretary

Presidents/Dean present:

Mr. Dave Clark, for Dr. Skogen, BSC
Dr. David Fuller, MiSU
Dr. Ken Grosz, DCB
Dr. John Richman, NDSCS
Dr. Dick McCallum, DSU
Dr. Dean Bresciani, NDSU
Dr. Mike Bower, LRSC
Dr. Robert Kelley, UND
Dr. Gary Hagen, MaSU
Dr. Steve Shirley, VCSU
Dr. Raymond Nadolny, WSC

Members absent:
Mr. Claus Lembke

Board President’s Report
The SBHE recently hosted a meeting of the Joint Boards. Common core standards and student needs to transition from K-12 to higher education were discussed. Mr. Backes, the Chancellor, Mr. Shaft, and Lt. Governor Dalrymple met concerning system funding models.

Ms. Diederich gave a brief overview of the 41st annual meeting of the Association of Community College Trustees in Toronto.

Executive Compensation Committee Report – Mr. Espegard
Mr. Espegard requested policy 302.8 be pulled from the agenda and addressed at the next SBHE meeting following additional work by the Executive Compensation Committee.

Chancellor’s Report

- Chancellor reported that he has visited the 11 campus communities, meeting with legislators, legislative candidates, economic development personnel, city government, and community leaders. He has also participated in editorial board meetings. He said attendance at these meetings had increased numbers compared to two years ago.
- Chancellor Goetz said progress is being made on the Strategic Plan goals concerning the Non-Traditional No More initiative. This initiative addresses the education opportunities for ready adults. These are individuals who have attended college but never completed a degree. The NDUS in cooperation with Western Interstate Commission for Higher Education (WICHE), and supported by a Lumina Foundation grant, will establish assistance in addressing plans for the NDUS to avail opportunities for this identified population to return to education of their choosing.
- Chancellor Goetz gave a brief update on the efforts to improve student retention and graduation rates on all 11 campuses. He said as part of the 09-10 and 10-11 annual budget process, the SBHE directed campuses to allocate resources to improve student retention and graduation rates, including student advisement and career counseling. The
campuses are making great progress in this effort. He distributed a summary outlining campus initiatives to date.

- He said the report and resulting bill draft recommended by the Interim Higher Education Committee will work toward addressing developmental or remedial education as a K-12, Higher Education issue.
- A DVD including information on all 11 campuses and a PowerPoint presentation that highlights the 2011-2013 budget proposal were given to SBHE members to use for informational meetings.

North Dakota Student Association (NDSA) Report
Ms. Jenny Marboe, Vice-President, NDSA, reported on the September and October NDSA meetings. Issues discussed included: approval of a resolution supporting the budget and recommendations of the Mental Health Task Force, a resolution supporting the Legacy Fund amendment to the North Dakota Constitution, a resolution in support of DCB’s effort to hire a qualified forestry instructor, and discussion of legislative lobbying goals the duration of the legislative session.

Council of College Faculties (CCF) Report
Mr. Jake Glower requested that the CCF report be provided during the discussion with CCF later in the meeting.

Approve September 16, 2010, meeting minutes
It was moved by Smith, seconded by Haugen, to approve the September 16, 2010, meeting minutes. Diederich, Haugen, Espegard, Bonner, Smith, Shaft, Backes voted aye. The motion carried.

Approve revised SBHE 2011 meeting calendar
It was moved by Espegard, seconded by Bonner, to approve the revised SBHE 2011 meeting calendar. Haugen, Espegard, Smith, Diederich, Bonner, Shaft, and Backes voted aye. The motion carried.
Approve NDSU request for Master’s Degree in Public Health and Graduate Certificate Program in Public Health; Approve UND request for Master’s Degree in Public Health and Graduate Certificate Program in Public Health

It was moved by Smith, seconded by Diederich to approve NDSU’s request for Master’s Degree in Public Health and Graduate Certificate in Public Health and approve UND’s request for Master’s Degree in Public Health and Graduate Certificate Program in Public Health.

Dr. Joshua Wynne, UND Dean/VP for Health Affairs and Charles Peterson, NDSU Dean of College of Pharmacy, Nursing, and Allied Sciences gave an overview of the joint program proposal and related funding. In response to a question about the impact if no state funding is provided in 2011-2013 in support of the program, Dr. Peterson said a decision would need to be made at that time whether the program could be offered in whole, in part, or not at all. He said state support will be critical to keep this program competitive and affordable for students. He pointed out that the campuses cannot move money from other existing programs to start this new program, as he is concerned about meeting existing program accreditation requirements. Dr. Wynne added that without state funding, they may have to consider only partial implementation of the program and that instead of seven potential tracks, they may only be able to implement two or three initially. That would be unfortunate since the multiple tracks available to students is what makes the ND program unique. According to Dr. Wynne, with the two campuses working together, costs have been reduced. With regard to tuition rates, he said they have priced the program at the appropriate market rates to help cover the cost of the program, yet keeping it affordable for students. He said they will be prepared to react to legislative funding decisions, and the worst case scenario would be that they could not offer the program.

It was moved by Smith, seconded by Diederich, to amend the motion to also approve the differential tuition rate of $600 per credit hour for the Master’s Degree in Public Health and Graduate Certificate in Public Health at NDSU and UND. Smith, Diederich, Espegard, Haugen, Bonner, Shaft, and Backes voted aye. The motion carried.

Discussion with Council of College Faculties (CCF)
Dr. Jacob Glower, President, CCF, said CCF supports the work being done on intellectual property issues and looks forward to seeing the final recommendations from the special task force before a final opinion is presented to the SBHE. Regarding, Education Effectiveness and Quality, Dr. Glower said CCF supports the work being done to measure and reward quality teaching. He said it is important to note that measuring quality may be very difficult. Based on the system’s standard for measuring education effectiveness and quality, the effectiveness and quality within the NDUS are evident. Dr. Glower said CCF will be taking time to receive input from members of each institution regarding definitions and measures of quality and effectiveness in teaching.

Budget, Audit, and Finance Committee Recommendations

Introduction and final adoption

302.7 Budget, Audit, and Finance Committee

It was moved by Espegard, seconded by Smith, to waive the second reading and approve on introduction and final reading Policy 302.7 Budget, Audit, and Finance Committee. Smith, Haugen, Diederich, Bonner, Espegard, Shaft and Backes voted aye. The motion carried.

802.8 Internal Audit Functions

It was moved by Espegard, seconded by Smith, to waive the second reading and approve on introduction and final reading of Policy 802.8 Internal Audit Functions. Diederich, Smith, Haugen, Bonner, Espegard, Shaft, and Backes voted aye. The motion carried.

803.1 Purchasing Procedures

It was moved by Espegard, seconded by Smith, to approve on introduction and final reading, and waive the second reading of Policy 803.1 Purchasing Procedures. Bonner, Espegard, Diederich, Haugen, Smith, Shaft, and Backes voted aye. The motion carried.

Board Policy Manual Revisions

Introduction and first reading

HR Policy 1.2 Introduction; HR Policy 3.1 Qualifications for Employment; HR Policy 19 Holidays; HR Policy 33.2 Continuing Education for Employees
It was moved by Haugen, seconded by Smith, to approve introduction and first reading HR Policy 1.2 Introduction, HR Policy 3.1 Qualifications for Employment, HR Policy 19 Holidays, and HR Policy 33.2 Continuing Education for Employees. Diederich, Haugen, Espegard, Bonner, Smith, Shaft, and Backes voted aye. The motion carried.

402.1.2 Admission Policies – Student Placement into College Courses

It was moved by Smith, seconded by Espegard, to approve introduction and first reading Policy 402.1.2. Admission Policies – Student Placement into College Courses. Smith, Diederich, Espegard, Haugen, Bonner, Shaft, and Backes voted aye. The motion carried.

902.12 Building Names

It was moved by Espegard, seconded by Smith to approve introduction and first reading Policy 902.12 Building Names. Diederich, Haugen, Espegard, Bonner, Smith, Shaft, and Backes voted aye. The motion carried.

Consent Agendas

It was moved by Haugen, seconded by Espegard, to approve the following financial and facility consent agenda requests:

- Approve the BSC request for Budget Section authorization to increase the **College Technical Center Renovation** project by $116,638 from $3,409,500 to $3,526,138 per NDCC 48-01.2-25 to be funded from $76,638 DOC grant and $40,000 required match; also include corridor flooring, door and hardware replacement and IVN rooms wall treatment in the scope of the project at an estimated cost of $150,000, within the current spending authorization; and, furthermore, contingent upon Budget Section approval authorization to proceed with project.

- Approve the BSC request for authorization to name an existing campus building that was renovated into campus housing, **Mystic Hall**, to represent our athletic team mascot name.

- Approve the MiSU request to seek 2011-13 legislative spending authority for **Old Main** classroom remodels in the amount of $750,000 from private funds through the MiSU Foundation per NDCC 15-10-12.1; and, furthermore, to proceed with renovation contingent on legislative approval and availability of private funds.

- Approve the NDSCS request for authorization to solicit private funds in the amount of $1.5 million for renovation of the **NDSCS Frank Vertin Football Complex**; and,
furthermore to amend the 2011-13 SBHE biennial budget request seeking non-state funding authorization in the amount of $1.5 million per NDCC 15-10-12.1.

- Approve the NDSU request for authorization to proceed with the Telecommunications Avaya Voice Messaging upgrade at an estimated cost of $400,000 to be funded from 2009-11 state general funds budgeted for telecommunications. Also, request approval for a one-time transfer of $400,000 from operating dollars to the capital assets line for this purchase.

- Approve the NDSU Faculty Senate Constitution

- Approve the VCSU request for authorization to seek 2011-13 legislative authorization for the installation of artificial turf at Lokken football field by $115,000 from $880,000 to $995,000, $815,000 from private sources and $180,000 from 09-11 deferred maintenance funding per NDCC 15-10-12.1; and, furthermore, authorization to proceed with the project, following legislative authorization and completion of the private fundraising.

- Appoint representatives to the State Grant Advisory Board

Smith, Haugen, Diederich, Bonner, Espegard, Shaft, and Backes voted aye. The motion carried.

It was moved by Espegard, seconded by Diederich, to approve the LRSC request to increase the 2011-13 SBHE state general fund budget request for the Erlandson Building Renovation/Addition by $950,000 from $3.9 million to $4.850 million. Haugen, Espegard, Smith, Diederich, Bonner, Shaft, and Backes voted aye. The motion carried.

It was moved by Smith, seconded by Haugen, to approve the NDSU request for authorization to change the name of the Bison Sports Arena building to the Sanford Health Athletic Complex, in honor of Sanford Health, the leading donor to the “Building the Competitive Edge for Bison Athletics” campaign. Espegard, Smith, Haugen, Bonner, Diederich, Shaft, and Backes voted aye. The motion carried.

It was moved by Espegard, seconded by Smith, to approve the NDSU and UND request for authorization to proceed with the next stage of the Northern Tier Network’s (NTN) deployment of connecting SD’s statewide network – Research Education Economic Development (REED)—node in Aberdeen, SD, to the NTN node in Fargo, ND, at a cost of $294,600 (plus $456,644 of movable network equipment) per NDCC 15-10-12.1. and further, that a report and discussion
regarding the Northern Tier Network including future plans, goals and objectives, be scheduled at an upcoming meeting. Bonner, Espegard, Diederich, Haugen, Smith, Shaft, and Backes voted aye. The motion carried.

Mr. Espegard requested an update be provided at a future SBHE meeting on the Northern Tier Network to include status of the project, how it compares to the original plan, and is the current model still more cost effective than an outsourced solution. The Chancellor said that this presentation should include representation from the research community.

**It was moved** by Haugen, seconded by Smith, to approve the WSC request to seek State Emergency Commission Funding of $35,000, to be supplemented by $44,968 internally reallocated funds, to contract for part-time security personnel. Diederich, Haugen, Espegard, Bonner, Smith, Shaft, and Backes voted aye. The motion carried.

**It was moved** by Espegard, seconded by Smith, to approve the WSC request to seek increased state funding in 2011-13 for the Williston State College science laboratory project of $1,320,000 from $2,200,000 to $3,520,000 funded $590,000 from private funds and $2,930,000 from the state general fund. Haugen, Espegard, Smith, Diederich, Bonner, Shaft, and Backes voted aye. The motion carried.

Discussion followed on how the LRSC Erlandson and WSC Science Center projects should be factored into the 11-13 major capital project priority list. It was suggested that the WSC Science Center be handled separately from the 2011-13 projects, as it was originally approved in the 2009-11 biennium. Furthermore, that the schedule only reflect the proposed cost increase associated with the WSC Science Center, instead of the entire project cost.

**It was moved** by Smith, seconded by Espegard, to approve the revised 2011-13 Major Capital Project priority list subject to the Chancellor consulting with the Cabinet and Office of Management and Budget, and based on that consultation, adjustments needed to address the WSC Science Center project. Smith, Haugen, Diederich, Bonner, Espegard, Shaft, and Backes voted aye. The motion carried.
Dr. Robert Kelley, UND President, Ms. Alice Brekke, UND, Vice-President for Finance, Ms. Laura Block, Associate Executive Vice President CFO UND Alumni Association, Mr. Tim O’Keefe, Executive Vice President/CEO UND Alumni Association gave a brief overview of the proposed UND Alumni Center. In response to a question, Mr. O’Keefe said the new center would be paid for, in full, with private funds with no state dollars being used. In fact, the Alumni Association will be making some infrastructure improvements which will be gifted to UND. Mr. Backes pointed out that the request includes an exception to Policy 902.3, as the Foundation would manage the construction and accounting for the new center.

**It was moved** by Espegard, seconded by Smith, to approve the site of the new Alumni Center at UND according to NDCC section 15-11-22, to be constructed and owned by the UND Alumni Association; also, according to NDCC section 15-10-12.1, authorize construction and acceptance of infrastructure and other related improvements associated with the Alumni Center construction on adjacent UND property, at a cost not to exceed $350,000, with funding for all costs donated by the UND Alumni Association and Foundation and, according to section 7 of SBHE Policy 902.3, authorize the UND Alumni Association to make those improvements on adjacent UND property as specified by UND officials. Smith, Diederich, Espegard, Haugen, Bonner, Shaft, and Backes voted aye. The motion carried.

**Academic Consent Agenda**

**It was moved** by Smith, seconded by Haugen to approve the following academic agenda requests:

- **Approve BSC mission statement revision**:
  - From: Bismarck State College, a member of the North Dakota University System, is the region's comprehensive community college. We are committed to maintaining a proactive learning environment, and supporting economic growth and development. By encouraging flexibility, innovation, and student success, we make it possible for people to identify and achieve their goals.
To: Bismarck State College, an innovative community college, offers high quality education, workforce training and enrichment programs reaching local and global communities.

- Approve BSC request to offer an A.A.S. and P.C. in Petroleum Production Technology and approve $500 annual program fee
- Approve BSC request to offer an A.A.S. and P.C. in Petroleum Engineering Technology and approve $500 annual program fee
- Approve BSC request to offer an A.A.S. and P.C. in Sustainable Construction Technology
- Approve LRSC mission statement revision:
  - From: Lake Region State College is a student-centered, open access, comprehensive community college within the North Dakota University System. The College provides quality academic education, career and technical training, workforce training, educational outreach opportunities, and life-long learning.
  - To: We enhance lives and community vitality through quality education.
- Approve MaSU request to offer a Minor in Music Education
- Approve VCSU request to terminate B.S. Ed. In Composite Science Education
- Approve VCSU request to terminate Early Childhood minor

Espegard, Smith, Haugen, Bonner, Diederich, Shaft, and Backes voted aye. The motion carried.

Personnel Consent Agenda

It was moved by Espegard, seconded by Haugen, to approve the following personnel consent agenda items:

- Approve NDSU request to award an Honorary Doctor of Science degree to Barry Batcheller
- Approve NDSU request to award an Honorary Doctor of Letters degree to Louise Erdrich
• Approve UND request to award an Honorary Doctor of Letters degree to Ken Mellem

Bonner, Espegard, Diederich, Haugen, Smith, Shaft, and Backes voted aye. The motion carried.

Review and approve proposed legislation

It was moved by Espegard, seconded by Smith, to approve the bill draft repealing NDCC section 15-12-11 regarding publications provided to county auditors. Haugen, Espegard, Smith, Diederich, Bonner, Shaft, and Backes voted aye. The motion carried.

It was moved by Haugen, seconded by Smith, to approve the proposed legislation to provide insurance coverage to student drivers, to be introduced by the SBHE if the Office of Management and Budget does not introduce a bill on this issue. Bonner, Diederich, Haugen, Smith, Espegard, Shaft, and Backes voted aye. The motion carried.

It was moved by Espegard, seconded by Diederich, to approve the proposed legislation exempting employee ID numbers from the open records law. Smith, Haugen, Diederich, Bonner, Espegard, Shaft, and Backed voted aye. The motion carried.

It was moved by Diederich, seconded by Espegard, to approve the proposed legislation, subject to discussion with the Attorney General’s office, to authorize payment of employee meal expenses, without regard to quarterly per diem restrictions, when employees participate in an athletic team or other organized group meal. Bonner, Espegard, Diederich, Haugen, Smith, Shaft, and Backes voted aye. The motion carried.

It was moved by Espegard, seconded by Bonner, to approve the proposed legislation concerning required signatures for easements and the required signatures of the president or other officers as delegated. Smith, Diederich, Espegard, Haugen, Bonner, Shaft, and Backes voted aye. The motion carried.

College and university presidents’ briefings

Dr. Fuller said the new admission standards have been instituted at MiSU and comments have been received from newspaper and talk radio shows. Concerns have been raised that the new
admissions standards are an attempt to exclude students from admission to MiSU; however, the intent of the new admission standards is to help ensure student success and The Passport program with DCB will allow students to seamlessly transfer into courses at MiSU which will have an impact on student retention and graduation.

Dr. Nadolny reported WSC provided training last year for 271 companies and 173 of these were oil and gas related. There were 5,212 unduplicated workers trained, which was an increase of 1,300 from the previous year. WSC is anticipating training over 6,000 workers this year. The capacity of training facilities has been reached, and they have increased the full-time staff to provide training outside on industry sites as well as using space at the Airport Inn. The Small Business Development Center, in the first four months of this fiscal year, has served 1,091 clients and facilitated 102 business start-ups resulting in 434 new jobs, 302 jobs retained, with an economic impact of $54 million.

Dr. Richman said NDSCS recently conducted the first active shooting drill on campus in collaboration with the ND Firemen’s Association, local emergency and medical response teams, and local and county law enforcement. Two national speakers were also in attendance to present information.

In response to a question from Mr. Shaft regarding the capital improvement project for the law school and the American Bar Association accreditation process, Dr. Kelley said the accreditation process will occur in the 2013 biennium. By this time, it is hoped that some of the inadequacies of educational facilities for the law school will have been addressed. Dr. Kelley said the law school project will be UND’s highest priority project for the next budget cycle.

Dr. McCallum reported on the Theodore Roosevelt Symposium held recently at DSU. He said it was a great success. DSU will co-host next year’s symposium with the Theodore Roosevelt Association which will be held in conjunction with the Association’s annual meeting. DSU has received a substantial federal grant to start a virtual business incubator as part of the Strom Center for Entrepreneurship & Innovation. Dr. McCallum said DSU has also received a state grant for math and science which will be used to bridge the funding received for STEM programs to create collaboration with area schools in the STEM disciplines.
Public Comments

Ms. Janine Trowbridge, North Dakota University System State Staff Senate, reported a subcommittee has been formed to look at the North Dakota Public Employees Retirement System (NDPERS) retirement funds. After studying the three proposed individual options created by NDPERS, the staff senate supports the option of a joint contribution between employer and employees.

The meeting adjourned at 11:54 a.m.

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Executive Secretary                  President

12/16/10

Date