The State Board of Higher Education met January 27, 2011, at the BSC Nation Energy Center of Excellence, Room 335. The board president called the meeting to order at 9:00 a.m. CT.

Members present:

- Mr. Jon Backes, President
- Mr. Claus Lembke
- Mr. Grant Shaft, Vice-President
- Mr. Duaine Espegard
- Ms. Kirsten Diederich
- Mr. Mike Haugen
- Ms. Melissa Bonner, Student Member

Members absent:

- Mr. Richie Smith
- Dr. John Girard, Faculty Advisor

Staff members present:

- Mr. William G. Goetz, Chancellor
- Ms. Debra Anderson, Public Affairs & Marketing Director
- 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/Exec. Director of CTEC
- Mr. Randall Thursby, Chief Information Officer
- Mr. Pat Seaworth, General Counsel
- Ms. Erika Lorenz, Secretary

Presidents and campus dean participating:

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

ND State Board of Higher Education
Minutes—January 27, 2011
CALL TO ORDER

Board President’s Report
Mr. Backes said he attended several Appropriations Committee hearings which seemed to go well.

Executive Compensation Committee Report
Second reading and final adoption of Policy 302.8 – Compensation Committee

It was moved by Espegard, seconded by Lembke, to approve the second reading and final adoption of Policy 302.8 – Compensation Committee. Diederich, Haugen, Lembke, Espegard, Bonner, Shaft, and Backes voted aye. The motion carried.

Chancellor’s Report
Chancellor Goetz said the Appropriations Committee hearings went well. He said maintaining a positive focus is very important through the legislative session. Chancellor Goetz had an interview with the Wall Street Journal comparing the higher education budget in North Dakota and other states, based on the North Dakota economy, which may result in the reporter visiting North Dakota and conducting additional interviews.

North Dakota Student Association (NDSA) Report
Mr. Andrew Brown, NDSA President, said the NDSA has not yet met this semester. Mr. Brown and the NDSA lobbyists have been researching and testifying on legislative bills. Topics at the upcoming NDSA meeting include: transfer students, the LEAP initiative, learning management systems, campus challenges, student needs, and reviewing similar student organizations. The NDSA State and Legislative Affairs Committee will be discussing a resolution regarding a non-voting staff advisory position on the SBHE. The next NDSA meeting will be February 11th and 12th in Bismarck.

Council of College Faculties (CCF) Report
Dr. Jake Glower, President, CCF, said CCF is reviewing what it means to be a quality educational system. He said CCF has noted the NDUS Mission and Vision statements make little mention of the social impact colleges and universities have on the culture of the state. CCF recommends that the mission and vision statements also include the social impacts campuses make to the state of North Dakota.

**Board Business**

**Approve December 16, 2010, meeting minutes**

*It was moved* by Lembke, seconded by Bonner, to approve the December 16, 2010, meeting minutes. Haugen, Espegard, Diederich, Lembke, Bonner, Shaft, and Backes voted aye. The motion carried.

**Board Policy Manual Revisions**

*Introduction and first reading*

340.2  **Foundations**

Mr. Seaworth said the policy was adopted some years ago due to an audit and Attorney General’s opinion. He has had meetings with the foundations’ executive officers and, generally, the policy draft is acceptable to the officers. However, there is not agreement regarding the language in 3c and 3i. Mr. Seaworth said the disputed language is a restatement of state law and removing the language will not change the parties’ obligations under the law.

*It was moved* by Espegard, seconded by Lembke, to approve the introduction and first reading of Policy 340.2 – Foundations, with amended language in sections 3c (replace the comma following the word “functions” with a semi-colon and remove the remaining language) and in 3i (place a semi-colon after the word “funds” and remove the words “or government functions delegated to the foundations”). Lembke, Haugen, Diederich, Bonner, Espegard, Shaft, and Backes, voted aye. The motion carried.

830.1  **Student Payment Policy**
It was moved by Lembke, seconded by Diederich, to approve the first reading and introduction of Policy 830.1 – Student Payment Policy. Diederich, Haugen, Bonner, Lembke, Espegard, Shaft, and Backes voted aye. The motion carried.

Introduction and final adoption

100.4 Mission and Vision of the North Dakota University System

It was moved by Lembke, seconded by Haugen, to approve the introduction and final adoption of Policy 100.4 - Mission and Vision of the North Dakota University System. Bonner, Espegard, Diederich, Haugen, Lembke, Shaft, and Backes voted aye. The motion carried.

Financial and Facility Consent Agenda

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

- Approve NDSU request for authorization to proceed with renovation of the Dish Room in the Memorial Union at an estimated cost of $558,000 to be funded from dining services revenue
- Approve NDSU request for authorization to proceed with the West Dining Center (WDC) project to accommodate the Salad and Bakery Operations at an estimated cost of $500,000 from revenue bond proceeds
- Approve WSC request to change the name of the “Northwest Area Career and Technology Education Center” to “The Western Star Career and Technology Center”

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

Academic Consent Agenda

It was moved by Lembke, seconded by Bonner, to approve the following academic consent agenda items:

- Approve LRSC request to offer an A.A.S. in Fitness Trainer Technician to be offered both traditionally and at a distance
- Approve MiSU request for an Institutional Organizational Change:
  - Great Plains Center for Community Research and Service
- Approve NDSU request to offer a Minor in Vaccinology
• Approve VCSU to offer a Minor in Business to be offered at a distance
• Approve VCSU to offer a B.S. Ed. in Business Education to be offered at a distance
• Approve VCSU to offer a B.S. in Career and Technical Education (CTE) to be offered at a distance
• Approve VCSU to offer a Minor in Marketing to be offered at a distance

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

Major Policy Discussions & Special Reports

Approve request for an Institutional Organizational Change

- DSU Limited Graduate Credit
- MaSU Limited Graduate Credit

Dr. Hillman presented a history of the requests from DSU and MaSU to offer limited graduate credit. Mr. Haugen gave a brief overview of the Mission Review Task Force review process for these requests. He said the Interim Higher Education Committee was also invited to the meetings with the intent of keeping the committee informed. Mr. Haugen suggested that an annual report could be presented to the SBHE on the progress of limited graduate credit at DSU and MaSU. Chancellor Goetz said he intends to bring together the teacher education campuses for the purpose of determining the delivery of programs given System goals.

It was moved by Espegard, seconded by Haugen, to approve the request for an Institutional Organizational Change allowing DSU and MaSU to offer limited graduate credit for continuing teacher education, with an annual report due to the SBHE. Haugen, Espegard, Diederich, Lembke, Bonner, Shaft, and Backes voted aye. The motion carried.

Review and approve SBHE position on 2011 legislation

Mr. Seaworth presented an overview of the recommended SBHE position on newly introduced 2011 legislation.
It was moved by Haugen, seconded by Lembke, that the SBHE adopt the stated positions on the following bills:

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Description</th>
<th>Status</th>
<th>NDUS Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>HB1003</td>
<td>NDUS appropriation bill</td>
<td>H APP 1/17</td>
<td>SUPPORT with amendments requested by SBHE, including additional funds for SOMHS, online tutoring, small capital projects, NDUS IT building, VCSU Rhoades Science Center</td>
</tr>
<tr>
<td>HB1018</td>
<td>DOC appropriation bill, includes $2 M base funding for Workforce Centers; $13 M one-time funding for COEs; $125,000 one-time funding for WorkKeys; and reenactment of COE legislation and new Research Excellence Centers legislation</td>
<td>H APP 1/13</td>
<td>SUPPORT Workforce Centers, COE funds and legislation</td>
</tr>
<tr>
<td>HB1019</td>
<td>CTE appropriation bill, includes $3 M for workforce training</td>
<td>H APP 1/12</td>
<td>SUPPORT workforce training funds</td>
</tr>
<tr>
<td>HB1020</td>
<td>NDSU Extension and Research appropriation bill</td>
<td>H APP 1/25</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>HB1021</td>
<td>ITD appropriation bill, including statewide longitudinal data system</td>
<td>H APP 1/13</td>
<td>SUPPPORT SLDS</td>
</tr>
<tr>
<td>HB1033</td>
<td>Continues NDUS block grant appropriations (Interim HE Committee “flexibility with accountability” bill)</td>
<td>H APP 1/27</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>HB1034</td>
<td>NDUS carryover authority (Interim HE Committee “flexibility with accountability” bill)</td>
<td>H APP 1/27</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>HB1035</td>
<td>NDUS continuing appropriation of non-state funds authority (Interim HE Committee “flexibility with accountability” bill)</td>
<td>H APP 1/27</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>HB1036</td>
<td>Study HE developmental education (Interim HE Committee bill)</td>
<td>H ED 1/25</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>HB1058</td>
<td>Creates a DOC grant program for university entrepreneurs; $50,000 GF appropriation</td>
<td>H APP 1/26</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>HB1060</td>
<td>Relaxes audit requirements for Centers of Excellence</td>
<td>H APP 1/26</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>HB1105</td>
<td>Repeals outdated requirement that NDSU send publications to county auditors (SBHE bill)</td>
<td>H PS 1/06 DP H PASSED</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>HB1106</td>
<td>Relating to Academic &amp; CTE scholarships; provides SBHE and DPI rule making authority; sets 2.75 GPA to maintain scholarship (SBHE bill)</td>
<td>H ED 1/11 DP AMD REREFER H APP</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>Bill Number</td>
<td>Description</td>
<td>Sponsor/Status</td>
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<tr>
<td>HB1119</td>
<td>Authorizes insurance coverage for student drivers in instructional programs (OMB bill requested by SBHE) (amended)</td>
<td>H IBL 1/11 DP AMD H PASSED AMD EMERG SUPPORT</td>
<td></td>
</tr>
<tr>
<td>HB1231</td>
<td>Requires that UND president notify EERC director of intent to occupy old Engelstad arena or surrounding land and use is prohibited if EERC director objects</td>
<td>H ED 1/18 OPPOSE</td>
<td></td>
</tr>
<tr>
<td>HB1236</td>
<td>Requires all state agencies, including NDUS, to create employee committees to review vacant positions; if committee determines position is not necessary, savings must be allocated 50% to GF, 20% to retention bonuses for employees with additional duties as result of vacancy and 30% to OMB fund to be distributed to agencies for retention bonuses</td>
<td>H GVA OPPOSE</td>
<td></td>
</tr>
<tr>
<td>HB1301</td>
<td>Appropriates $26.5 million GF to freeze tuition rates at all campuses during 11-13 biennium</td>
<td>H ED 1/25</td>
<td></td>
</tr>
<tr>
<td>HB1369</td>
<td>Adds new accountability measures related to non-instructional costs and non-resident students; requires SBHE to present long-term budget; budget request must reduce nonclassroom expenses by at least the same percentage of tuition rate increases</td>
<td>H APP 1/26 OPPOSE</td>
<td></td>
</tr>
<tr>
<td>HB1385</td>
<td>Provides waiver of tuition and fees for those 55 years of age or older, exempting them from admission requirements; prohibits the addition of new courses to accommodate these students</td>
<td>H ED 1/25 OPPOSE</td>
<td></td>
</tr>
<tr>
<td>HB1396</td>
<td>Public library, archive or museum may designate records as exempt with donor request</td>
<td>H GVA SUPPORT</td>
<td></td>
</tr>
<tr>
<td>HB1411</td>
<td>Declares chancellor has no authority over institutions; requires separate funding methodology for research, four year and two year campuses</td>
<td>H APP OPPOSE</td>
<td></td>
</tr>
<tr>
<td>HB1444</td>
<td>Non-resident tuition set at not less than the average cost per student, furthermore, cannot waive non-resident tuition; exempts students covered under reciprocity agreement</td>
<td>H ED OPPOSE</td>
<td></td>
</tr>
<tr>
<td>Bill Number</td>
<td>Description</td>
<td>Committee</td>
<td>Position</td>
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<tr>
<td>HB1445</td>
<td>For each non-resident student, except reciprocity students, requires the NDUS to return to the general fund, an amount equal to state per student funding</td>
<td>H ED</td>
<td>OPPOSE</td>
</tr>
<tr>
<td>HB1470</td>
<td>Legislature sets tuition and fee rates</td>
<td>H ED</td>
<td>OPPOSE</td>
</tr>
<tr>
<td>SB2013</td>
<td>School for the deaf appropriation, including $200,000 GF for NDUS interpreters, real-time captioning</td>
<td>S APP 1/10</td>
<td>SUPPORT NDUS funds</td>
</tr>
<tr>
<td>SB2023</td>
<td>Deficiency appropriation including $58,904 for VCSU</td>
<td>S APP 1/20</td>
<td>SUPPORT VCSU deficiency funds</td>
</tr>
<tr>
<td>SB2057</td>
<td>Centers for Entrepreneurship Excellence, Centers of Research Excellence: $4 M infrastructure, $5 M entrepreneurship GRANTS, $10 M for EPSCoR, $2 M workforce enhancement, $10 M research excellence</td>
<td>S APP 1/27</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>SB2065</td>
<td>Permits consolidated payment and exemption from per diem limits for athletic team and other organized group meals (SBHE bill)</td>
<td>S GVA 1/13 DP S PASSED</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>SB2092</td>
<td>Institution president or other institution officer given authority to sign easements (SBHE bill)</td>
<td>S ED DNP AMD S FAILED</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>SB2108</td>
<td>2% increase in employee retirement contributions on 1/1/12 and 1/1/13 (50% paid by employer and 50% employee)</td>
<td>S GVA 1/13</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>SB2133</td>
<td>Authorizes retailers to seize false ID used in attempt to or purchase of alcoholic beverages</td>
<td>S JUD 1/17</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>SB2211</td>
<td>Exempts athletic team coaches from veteran’s preference</td>
<td>S GVA 1/20</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>SB2213</td>
<td>Increases family medical leave from 40 to 80 hours</td>
<td>S GVA 1/28</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>SB2232</td>
<td>Amendments to open records and meetings laws, including costs that may be charged; addition of personal cell phone number, employee ID number to exempt personal information</td>
<td>S JUD 1/26</td>
<td>SUPPORT</td>
</tr>
<tr>
<td>SB2257</td>
<td>Makes owner/landlord responsible for limiting, reporting underage alcohol use</td>
<td>S JUD 1/24</td>
<td>SUPPORT with amendments (reports to police discretionary, no liability for NDUS officers)</td>
</tr>
<tr>
<td>Bill</td>
<td>Description</td>
<td>Vote</td>
<td></td>
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<tr>
<td>SB2300</td>
<td>Creates a Commission on Higher Education Funding; NDUS representation and funded from NDUS budget</td>
<td>SUPPORT</td>
<td></td>
</tr>
<tr>
<td>SB2323</td>
<td>Requires submission to OMB of copies of invoices and other cost and progress documentation for NDUS improvements for which cost exceeds $100,000</td>
<td>OPPOSE</td>
<td></td>
</tr>
<tr>
<td>SB2351</td>
<td>Requires posting of student fees; during 2011-13, limits total mandatory fee increases to not more than 1% of average undergrad tuition, with guidelines for limited exceptions</td>
<td>OPPOSE</td>
<td></td>
</tr>
<tr>
<td>SCR4003</td>
<td>Support Northern Tier Network</td>
<td>S APP SUPPORT</td>
<td></td>
</tr>
</tbody>
</table>

Lembke, Haugen, Diederich, Bonner, Shaft, and Backes voted aye. Espegard was absent. The motion carried.

President Backes requested that Mr. Shaft determine how HB1353 changes the makeup of the SOMHS Advisory Board and report back to the Chancellor and the SBHE President.

**Update on Northern Tier Network**

Mr. Marc Wallman, NDSU Assistant Vice-President of Enterprise Computing & Infrastructure, presented an overview of the Northern Tier Network.

Dr. Phyllis Johnson, UND Vice-President for Research, gave a presentation to the SBHE on the impact of the Northern Tier Network on UND’s research programs.

**Update on NDSCS Senior Living Complex**

Dr. Richman updated the SBHE regarding a potential long-term rental agreement between NDSCS, the city of Wahpeton, and Lutheran Social Services (LSS) to convert some residence halls into senior housing. He said even with increased enrollment, NDSCS will have unused or minimally-used residence halls. Under the agreement LSS would operate and manage residence halls not needed by NDSCS. He said the agreement would potentially decrease NDSCS’s
deferred maintenance, provide a revenue stream, and LSS may also contract with NDSCS for other services such as snow removal, IT, and custodial services. Dr. Richman said NDSCS has requested an educational link with LSS to create educational opportunities for seniors. LSS is currently in the process of designing the units. Mr. Shaft suggested that lease buy-out language be added to the agreement. Mr. Lembke suggested, depending on the length of the lease, negotiating a phase-out option which could be used to reclaim the building for future use if needed.

**Presentation on NDUS finance model**

Ms. Glatt presented an overview and history of the NDUS long-term finance plan and its major components.

**College and university presidents’ briefings**

Dr. Shirley said VCSU, NDSU, and Minnesota State - Moorhead, are a part of the $10.6 million teacher education grant through the Bush Foundation which has been very complimentary of the progress the institutions have made in the recruitment of students into teacher education.

Dr. Jenkins said MiSU has joined the Northern Sun Intercollegiate Conference for athletic competition.

Dr. Grosz said DCB will have record enrollment for the spring semester.

Dr. Bresciani said NDSU enrollment numbers have increased for the spring semester.

Dr. McCallum thanked the SBHE for approving DSU’s request to offer limited graduate credit for teacher education.

Dr. Richman said the NDSCS nursing program has been ranked number one in the U.S. based on last spring’s first time pass rate on exams. The architectural drafting and estimating team finished third in a national competition.
Dr. Hagen thanked the SBHE for approving MaSU’s request to offer limited graduate credit for teacher education and said MaSU may have record enrollment for spring.

**Announcements**

**Future Board Meetings**
- March 1 – BSC
- April 7 – Conference call
- May 9 & 10 – SBHE Retreat
- June 16 - MiSU

The meeting adjourned at 2:35 p.m.

[Signature]
Executive Secretary

[Signature]
President

3/1/11
Date