The following draft minutes have not yet been approved by the
ND State Board of Higher Education
Minutes – July 12, 2012

The State Board of Higher Education met Thursday, July 12, 2012, at 8:05 a.m. CT, in the BSC Student Union Prairie Room, 1425 Schafer Street, Bismarck, North Dakota.

Members present:

Mr. Duaine Espegard, President
Mr. Grant Shaft, President
Mr. Sydney Hull, Student Member
Dr. Douglas Munski, Faculty Adviser
Ms. Kathleen Neset

Dr. Kirsten Diederich, Vice-President
Dr. Terry Hjelmstad
Ms. Janice Hoffarth, Staff Senate Adviser
Mr. Don Morton, by phone

Staff members present:

Dr. Hamid Shirvani, Chancellor
Mr. Pat Seaworth, General Counsel
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, by phone
Mr. Bill Eggert, Director of Internal Audit and Risk Assessment
Ms. Erika Lorenz, Secretary

Presidents/Dean participating:

Dr. Larry Skogen, BSC
Dr. Doug Darling, LRSC interim President
Dr. Ken Grosz, DCB
Dr. D.C. Coston, DSU
Mr. Paul LeBel for Dr. Robert Kelley, UND
Dr. Raymond Nadolny, WSC

Dr. Gary Hagen, MaSU
Dr. David Fuller, MiSU
Dr. Dean Bresciani, NDSU
Dr. John Richman, NDSCS
Dr. Steve Shirley, VCSU

CALL TO ORDER

Board President’s Remarks
Mr. Espegard welcomed the new SBHE members. He said details on Chancellor Shirvani’s goals will be forthcoming at a future meeting.

Mr. Espegard requested that new SBHE members to review the minutes for the 2012 SBHE Retreat as the minutes detail how SBHE business will be conducted with a focus on policy making, and the expected lines of communication.

Chancellor’s Remarks
Chancellor Shirvani said NDUS is a great system and at a pivotal point in its development. He has met with many community leaders, legislators, faculty, students, and staff since March of this year to learn about the system and the challenges it is facing.

Chancellor Shirvani said the Higher Learning Commission (HLC) visited DSU and a thorough assessment was conducted. The HLC was pleased with the progress and will return next year.
Chancellor Shirvani said DSU has been put on notice but not on probation. DSU is making good progress and has a strong admissions pool. He thanked Dr. Coston for his work.

Chancellor Shirvani said he will be focusing his efforts on five critical and urgent areas. There will be a team effort among the campus presidents and their respective faculties and staff and the chancellor's office staff.

Chancellor Shirvani presented five initiatives are: access, quality, affordability, accountability, and student learning.

- **Access**: Link student readiness with institutional missions to ensure student success. These will be furthered defined by a three-tiered set of admissions policies.
- **Quality**: Chancellor Shirvani proposed establishing the North Dakota High School to College Success Report to assure proper alignment between secondary and post-secondary standards. The report will consist of individual high school reports that provide school-level information on how graduates from individual high schools performed during their freshman year at North Dakota postsecondary institutions.
- **Affordability**: To address the rising cost of postsecondary education, focus will be given to expanded needs-based aid programs and to address adult learners’ financial needs.
- **Accountability**: Tuition waiver practices require review and revision. Furthermore, tuition and fee models will be reviewed and revised.
- **Student learning**: NDUS community colleges should play a primary role in the delivery of remedial/developmental coursework, with limits at other campuses.

Chancellor Shirvani said students are the primary goal and central to everything the system does. A more detailed plan will be developed and presented to the SBHE within the next few months.

**North Dakota Student Association (NDSA) Report**

Mr. William Woodworth, NDSA, President, said NDSA will meet again September 20 & 21 at VCSU. He said Johann Mallum, BSC, will be the NDSA lobbyist, and Jody Ferris, DSU, will serve as the legislative lobbyist. NDSA is researching governance, mental health services, and how western development is affecting tuition and fees. He said SB 2351 capped student fees at 1% of tuition. NDSA would like to see the 1% cap made a permanent and would like to see the continuation of work by the Student Fees Task Force.

**Council of College Faculties (CCF) Report**

Dr. Douglas Munski welcomed Chancellor Shirvani and the new SBHE members on behalf of CCF. Chancellor Shirvani has been invited to speak at the CCF teleconference on September 11th.

**Staff Senate Report**

Ms. Janice Hoffarth said North Dakota Staff Senate has not met since the last SBHE meeting. She said State Staff Senate has established a FaceBook page.

**BOARD BUSINESS**

Approve May 16, 2012, 2012 SBHE Retreat, and June 14, 2012, meeting minutes

It was moved by Shaft, seconded by Hjelmstad, to approve the May 16, 2012, 2012 SBHE Retreat, and June 14, 2012, meeting minutes. Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, and Espegard voted aye. The motion carried.

Appoint Executive Committee members
It was moved by Shaft, seconded by Diederich, to appoint Dr. Diederich, Mr. Morton, Mr. Hull, Dr. Munski, Ms. Hoffarth, and Mr. Shaft to the Academic Committee; to appoint Mr. Espegard, Ms. Neset, and Dr. Hjelmstad to the Audit Committee; and appoint Mr. Espegard, Dr. Diederich, and Mr. Shaft to the Executive Committee. Hull, Morton, Neset, Shaft, Diederich, Hjelmstad, and Espegard voted aye. The motion carried.

Mr. Espegard said Dr. Diederich will serve as the Chair of the Academic Committee. He said when a new SBHE member is appointed, it is his intent that the new member will serve on the Audit Committee. Mr. Espegard may also choose to add one more member to the Executive Committee in the future.

Appoint Centers of Excellence members
President Espegard announced that appointments to the Centers of Excellence Commission would be postponed until after the remaining vacancy on the SBHE is filled.

Facilities and Finance Consent Agenda
It was moved by Hjelmstad, seconded by Diederich, to approve the DSU request to change the name of the Badlands Activities Center at Dickinson State University to the Henry Biesiot Activities Center. Morton, Neset, Shaft, Diederich, Hjelmstad, Hull, and Espegard voted aye. The motion carried.

It was moved by Hull, seconded by Shaft, to ratify Chancellor Goetz’s interim action approving DSU Estoppel Certificate and Agreement Regarding Ground Lease and Ground Sublease for Hawk’s Point development. Neset, Shaft, Diederich, Hjelmstad, Hull, Morton, and Espegard voted aye. The motion carried.

Academic Consent Agenda
It was moved by Diederich, seconded by Hjelmstad, to approve the BSC request to offer a Program Certificate in Instrumentation and Control Technology to be offered both traditionally and at a distance. Shaft, Diederich, Hjelmstad, Hull, Morton, Neset, and Espegard voted aye. The motion carried.

It was moved by Shaft, seconded by Hjelmstad, to approve the DCB request to offer an Associate of Applied Science (AAS) degree and certificate program in Land Management. Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, and Espegard voted aye. The motion carried.

MAJOR POLICY DISCUSSIONS & SPECIAL REPORTS
Review and approve 2013-15 budget and capital projects requests
Chancellor Shirvani said two new campus initiatives have been added to the proposed 2013-15 budget: $10 million to NDSU to provide cross discipline linking of new genomics and bioinformatics and $10 million to UND for expanding its energy-related research and degree programs offering to the western part of the state (UND College of Engineering and Mines-West) and joint programs between UND and WSC.

Chancellor Shirvani presented a brief overview of other requests including:
- $10 million in oil and energy impact funds for WSC, DSU, MisU, and BSC
- $390,000 increase for the nursing consortium
$8.5 million for 30 new NDUS staff to provide more oversight for policy, compliance, and oversight

Chancellor Shirvani said the three top recommended health and safety capital project priorities are MAŠU’s Old Gymnasium, NDSU’s STEM classroom/lab building, and DCB’s backup generator. A separate priority list includes the UND SOMHS project and BSC Communications and Fine Arts Center as the top two priorities. He said the request includes $1 million to develop a system-wide campus master plan, including space study, which will be beneficial as it will provide an independent review of campus needs based on objective criteria by an outside firm and a cohesive master plan for the system.

In response to a question from Ms. Hoffarth regarding deferred maintenance needs for NDSCS Old Main and VCSU Vangstad Hall, Mr. Shaft said those two projects would be considered major renovations and part of the priority list, and could not be addressed through regular maintenance funds. The Governor and the legislature ultimately make the decision as to what projects are funded.

Mr. Hull asked if the UND SOMHS request is adequate to meet needs. Dr. Wynne, UND SOMHS Dean, said during the last legislative session $100,000 was authorized for a space study. The study resulted in three options. UND SOMHS did not make an assessment as to which was the best option as they all had strengths and weaknesses. He said ultimately the legislature will decide which option is funded. The recommended option of $38.5 million is adequate to meet immediate needs but UND SOMHS will need to maintain a 60 year old building and will be back with an additional request for space in approximately 10 years.

Mr. Espegard noted the budget request does not include funding for 2013-15 biennium salary increases or benefit changes as the legislature sets these for all state employees.

It was moved by Shaft, seconded by Hull, to approve the 2013-15 SBHE budget request as recommended by the Chancellor, with changes as noted, and the prioritized 2013-15 major capital projects as recommended by the Chancellor. Hjelmstad, Hull, Morton, Neset, Shaft, Diederich, and Espegard voted aye. The motion carried.

Mr. Hull expressed concern that 30 additional staff members for the system office may not be positively received. Mr. Espegard said the system office will need additional staff to oversee the system properly and to make changes expected by the legislature.

Approve NDUS FY2013 office budget

It was moved by Diederich, seconded by Hjelmstad, to authorize the addition of one senior level system internal audit and one senior level compliance position, to be hired as soon as possible, to be funded through campus assessment during FY2013; authorize the one-time use and permanent transfer of SBHE pool funds to the NDUS Office for use, as determined by the Chancellor; and, authorize continuing NDUS Office operations in FY2013, pending considering of a more detailed plan at a later date. Morton, Neset, Shaft, Diederich, Hjelmstad, Hull, and Espegard voted aye. The motion carried.
Chancellor Shirvani requested the flexibility to return to the SBHE with revisions to the NDUS Office budget after a clear assessment has been done. He supports the assessment of costs for audit staff to campuses and asked that the assessments be extended to include additional legal staff.

Approve presidents’ contracts for 2012-13

It was moved by Shaft, seconded by Hull, to approve the presidents’ contracts for 2012-13. Neset, Shaft, Diederich, Hjelmstad, Hull, Morton, and Espegard voted aye. The motion carried.

Chancellor Shirvani said he recommends extending the contracts for all presidents to June 30, 2014, with the exception of Presidents Coston and Nadolny who already have contracts until June 30, 2015. This will allow time for the chancellor to perform evaluations.

Mr. Espegard said with the transition to a new chancellor time is needed to perform evaluations. He recommends that all presidents receive a salary increase of 3% with the exception of President Nadolny. A 3% increase is consistent with the increases received by state employees, most university employees received less than a 3.5% increase, and the SBHE in recent years has made significant progress in aligning presidential salaries with market levels. He recommended that President Nadolny receive a 6% salary increase in recognition of the high staff and faculty turnover, wage inflation, and unique challenges brought on by the oil industry. The salary increase will help to close the gap between President Nadolny’s salary and that of the other two-year campus presidents.

It was moved by Shaft, seconded by Diederich, to approve 3% salary increases, effective July 1, 2012 for all presidents, with the exception of President Nadolny, and a salary increase of 6% for President Nadolny, effective July 1, 2012. Shaft, Diederich, Hjelmstad, Hull, Morton, Neset, and Espegard voted aye. The motion carried.

Presentation on mobile applications

Dr. Joshua Riedy, UND CIO, and Mr. Mick Pytlik, ConnectND Executive Director, presented a demonstration of mobile applications which will be used on a long term basis to increase retention and graduation rates.

The meeting adjourned at 11:19 a.m.