North Dakota State Board of Higher Education
Minutes – January 17, 2013

Wednesday, January 16, 2013

Members present:
Mr. Duaine Espegard, President
Mr. Grant Shaft
Mr. Don Morton
Ms. Kari Reichert
Ms. Janice Hoffarth, Staff Senate Adviser

Dr. Kirsten Diederich, Vice-President
Dr. Terry Hjelmstad
Ms. Kathleen Neset
Mr. Sydney Hull, Student Member

Staff members present:
Dr. Hamid Shirvani, Chancellor
Mr. Randall Thursby, Chief Information Officer
Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
Mr. Bill Eggert, Director of Internal Audit and Risk Assessment
Ms. Linda Donlin, Director of Communications and Media Relations
Ms. Kirsten Franzen, Chief Compliance Officer
Ms. Claire Holloway, General Counsel
Ms. Erika Lorenz, Secretary
Mr. Noah Brisbin, Special Assistant to the Chancellor

The Board met for dinner at Chancellor Shirvani’s residence, 524 Slate Drive, Bismarck, North Dakota, beginning at 6:30 p.m. CT.

The Board reviewed higher education issues arising in the legislative session, including past and forthcoming hearings and opportunities to present testimony. The Board also discussed other North Dakota higher education issues.

The dinner ended at 9:00 p.m. CT.

Thursday, January 17, 2013

The State Board of Higher Education met Thursday, January 17, 2013, at 1:00 p.m. CT, in the Bavendick Stateroom of the National Energy Center of Excellence, Bismarck State College, Bismarck, North Dakota.
Members present:

- Mr. Duaine Espegard, President
- Dr. Kirsten Diederich, Vice-President
- Mr. Grant Shaft
- Dr. Terry Hjelmstad
- Mr. Don Morton
- Ms. Kathleen Neset
- Ms. Kari Reichert
- Mr. Sydney Hull, Student Member
- Dr. Douglas Munski, Faculty Adviser
- Ms. Janice Hoffarth, Staff Senate Adviser

Staff members present:

- Dr. Hamid Shirvani, Chancellor
- Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
- Mr. Randall Thursby, Chief Information Officer
- Ms. Kirsten Franzen, Chief Compliance Officer
- Ms. Claire Holloway, General Counsel
- Ms. Linda Donlin, Director of Communications
- Mr. Bill Eggert, Director of Internal Audit
- Ms. Erika Lorenz, Secretary
- Mr. Noah Brisbin, Special Assistant

Board President’s Remarks

President Espegard opened the meeting by welcoming all in attendance and thanking Dr. Skogen and his staff for their hospitality in hosting the Board meeting at Bismarck State University. President Espegard expressed the Board’s anticipation that the implementation of a new funding model and a strengthened investment in higher education would help the University System become a premier system of higher education.

Chancellor’s Report

Chancellor Shirvani reported to the Board that the System office has completed a review of all accumulated fee balances and instructed campuses to utilize the fee balances for their originally intended purposes before June 30, 2014, the date of transition to the new Pathways tuition model.

The chancellor also expressed his pleasure to have appeared with Dr. Coston and Msgr. Shea at the announcement of a unique public-private partnership between Dickinson State University and the University of Mary.

Next, Chancellor Shirvani explained his commitment to visiting North Dakota high schools to speak with students, encouraging them to attend college and earn a degree and communicating the Pathways to Student Success plan. The chancellor thanked Dr. Hjelmstad for his dedication to doing the same.
Chancellor Shirvani has also visited with North Dakota business leaders and government officials. They have positively received the chancellor’s vision to strengthen the system, preparing young North Dakotans for productive careers in North Dakota.

The chancellor also presented to the Staff Senate at their January meeting in Grand Forks, at Ms. Hoffarth’s invitation. Chancellor Shirvani reached nearly 400 people in person and by videoconference, addressing staff’s questions about the Pathways plan.

Chancellor Shirvani reported that he and the University System staff have used the Board’s goals to develop NDUS’s conceptual vision and a blueprint for developing the system, and have presented it to the Senate Appropriations Committee and the Senate Education Committee.

North Dakota Student Association Report
Mr. William Woodworth stated that the NDSA finalized its proposed legislation at its December meeting in Grand Forks. Mr. Woodworth notified the Board of the NDSA’s establishment of a student due process task force to evaluate campus disciplinary hearings. He also described the NDSA’s involvement in legislative testimony, including testifying in support of SB 2094, which would make permanent a cap of one percent on student fee increases in normal circumstances.

Mr. Woodworth urged the Board to consider carefully its position on the house concurrent resolution that would authorize a legislative study on requiring the use of open textbooks. Finally, Mr. Woodworth thanked Chancellor Shirvani and Vice Chancellor Haller for allowing a student to serve on the search committee for the next Vice Chancellor of Academic Affairs.

Council of College Faculties Report
Dr. Munski reported that at its last meeting, the CCF expressed a need for more library support throughout the University System. He also explained that the CCF will deliver to Chancellor Shirvani a resolution that would allow institutional support of CCF member travel.
Dr. Munski stated that CCF supports the Board’s position with respect to the proposed budget. Finally, Dr. Munski described the CCF’s sentiment that despite a strong desire to limit textbook costs, HCR 2009, the resolution for a legislative study into requiring the use of open textbooks, strikes at the core of academic freedom.

Staff Senate Report
Ms. Hoffarth stated that the Staff Senate would meet monthly through the spring semester, having hosted Chancellor Shirvani at its January meeting. She added that hundreds of viewers have accessed the archived version of the chancellor’s appearance at the staff senate meeting, and that she hopes to have the chancellor appear before the staff senate again to explain the Board’s vision. Finally, Ms. Hoffarth explained that she was re-elected to her position as state board member.

BOARD BUSINESS

Approve November 15, 2012, meeting minutes
It was moved by Hull, seconded by Morton, to approve the November 15, 2012, meeting minutes. Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, and Espegard voted aye. The motion carried unanimously.

Approve SBHE position on 2013-15 budget recommendation, including amendments
The Board next took up the proposed budget for the University System. Mr. Shaft expressed that he was supportive of the budget, allowing for some amendment requests, as the chancellor had explained in Senate hearings.

Mr. Shaft explained that it is important for Board members to understand the budget in depth, going beyond how it is portrayed by others. Chancellor Shirvani expounded on this by pointing out the distinction between newly allocated money that is considered “cost to continue” and “discretionary,” and further to tease out “discretionary” allocations that are committed to campus security and mental health initiatives from allocations that are purely discretionary. The chancellor explained that by looking at the proposed budget this way, Williston State College stands to lose $600,000.
Chancellor Shirvani suggested further study of the proposed new funding model to ensure that no campus falls behind, adding that the University of North Dakota and its School of Medicine and Health Sciences receive no new discretionary money in the proposed budget. The chancellor also questioned whether the $5 million in new discretionary money allocated to North Dakota State University would prove sufficient, and mentioned that the potential budget implications Dickinson State University’s decline in student enrollment deserves study.

It was moved by Shaft, seconded by Hull, to support the governor’s proposed budget with the previously indicated amendments, and allowing for further study. Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, Diederich, and Espegard voted aye. The motion carried unanimously.

Ratify Chancellor’s interim action approving introduction of statutory amendments

It was moved by Hjelmstad, seconded by Hull, to ratify the chancellor’s interim action approving the introduction of statutory amendments to the legislature. Hull, Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, and Espegard voted aye. The motion carried unanimously.

Review and consider SBHE position on 2013 legislation

Chancellor Shirvani explained to the Board that he has a standing Thursday afternoon appointment with campus presidents to review legislation to formulate positions. After these meetings, the chancellor explained, he would make an official recommendation to the Executive Committee.

Board Policy Manual Revisions

310.2 Board Officers; Elections

402.9 Admission Policies – New International Students

1902 Emergency Notification Systems

Chancellor Shirvani stated that the revised Policy 310.2 brings Board policy into compliance with North Dakota constitutional and statutory requirements. Dr. Diederich explained that the revised Policy 402.9 distinguishes between new international students and transfer international students, and implements new requirements and standards for prospective international students.
For revised Policy 1902, Dr. Diederich explained that the revision mandates student participation in campus emergency notification systems by limiting registration to students who are enrolled in an appropriate notification system.

**It was moved** by Hull, seconded by Hjelmstad, to approve the Board Policy Manual revisions. Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, Hull, and Espegard voted aye. The motion carried unanimously.

**Consent Agendas**

UND’s request to enter into a ground lease between UND and UND Aerospace Foundation to enable construction of a new aerospace building was withdrawn for further study.

**It was moved** by Diederich, seconded by Shaft, to approve the following Financial and Facility Consent Agenda items:

- MaSU request for approval of resolution authorizing the issuance of Not to exceed $2,100,000 State Board of Higher Education of the State of North Dakota, Mayville State University, Facilities Revenue Refunding Bonds, Series 2013.

- MiSU request to proceed with flood restoration projects of up to $2 million due to the June 2011 flood of the Souris River, funded from FEMA recovery and MiSU institutional funds, pending the outcome of the 2011-13 deficiency appropriation request. Furthermore, increase spending authority for the Beaver Lodge Housing (student housing unit) from $2,900,000 to $3,100,000 and University Apartments (8-plex faculty and staff housing) from $700,000 to $1,000,000 to be financed through a low-interest loan and repaid with auxiliary revenues.

- NDSU request to proceed with the replacement of the Burgum Hall fan coil units at an estimated cost of $400,000 to be funded from Residence Life local funds.
• NDSU request to proceed with the replacement of the roof on Ceres Hall at an estimated cost of $800,000 to be funded from 2011-2013 extraordinary repair funds.

• NDSU request to proceed with the replacement of a low rise lavatories renovation project, Phase I at an estimated cost of $1,000,000 to be funded from Residence Life Repair and Replacement funds.

• NDSU request to proceed with the Memorial Union – Food Court Renovations Project at an estimated cost of $975,000 to be funded from Dining Services local facilities operating funds.

• UND request to seek legislative authorization to purchase the Research Enterprise and Commercialization building (REAC1) on the UND campus per NDCC 54-27-12, and to enter into a financing arrangement for that purpose; further authorize the Chancellor to approve the purchase terms and financing arrangement.

• UND request for increased spending and revenue bond legislative authorization from $14 to $29 million for construction of an addition and renovation to Wilkerson Hall Dining Center, to be paid from revenue bond proceeds.

• UND request for project spending from $950,000 to $1,500,000 for installation of fire protection systems in Walsh Hall, a residence hall facility, to be paid from residence hall funds.

• UND request to proceed with demolition of the original Winter Sports building, a.k.a. Old REA, as part of the construction of a new athletics practice facility.

• UND request to proceed with replacement of Campus Road bridge at an estimated cost of $1,600,000, with the UND cost share to be paid from 2011-13 appropriated capital assets funding and local institutional funds. UND also requests authorization according to SBHE Policy 902.3 for NDDOT to manage the project as per FHA requirements.

• WSC request to authorize an amendment of the property description as set out in the WSC Foundation Ground Lease dated April 12, 2012,
which lease is to enable construction by the Foundation of apartment units on that tract of land located on the WSC campus to provide housing for WSC employees and employees of other state and local government entities and local hospital and clinic employees.

- Chancellor’s interim approval authorizing WSC to proceed with the installation of a backup generator to power part of Stevens Hall, at a cost of up to $525,000, funded from the 2011 Special LegislativeSession one-time state general fund appropriation.

Shaft, Reichert, Diederich, Hjelmstad, Hull, Morton, Neset, and Espegard voted aye. The motion carried unanimously.

Mr. Shaft observed that he saw no overlap between the functions of the University System’s information technology department, headquartered in a new Grand Forks facility, and the proposed upgrade to computing facilities in Fargo. This upgrade was addressed by the Chancellor’s interim approval to request an amendment to the 2013-2015 appropriations bill to include the upgrade of a portion of Research 2 (R2) for the Center for Computationally Assisted Science and Technology in the amount of $660,000 to be funded by federal grant funds. Mr. Shaft asked Mr. Thursby if his observation was correct; Mr. Thursby responded that SITS has processes in place to review IT requests before reaching the Board to prevent unnecessary overlap, and that most hardware needs for the center are local.

**It was moved** by Shaft, seconded by Hull, to approve ratification of the chancellor’s interim approval to request an amendment to the 2013-2015 appropriations bill to include the upgrade of a portion of Research 2 (R2) for the Center for Computationally Assisted Science and Technology in the amount of $660,000 to be funded by federal grant funds. Reichert, Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, and Espegard voted aye. The motion carried unanimously.

**It was moved** by Hull, seconded by Hjelmstad, to approve the following Academic Consent Agenda items:

- BSC
Program Terminations:
- D.P. in Graphic Design and Communication
- D.P. in Information Processing Specialist
- D.P. in Lineworker, Electrical

NDSU
- Institutional Organizational Change
  - Center for Professional Selling and Sales Technology

UND
- Institutional Organizational Change
  - From: Graduate School
  - To: School of Graduate Studies
- Program Termination: P.C. in Graduate Certificate in Mathematics for Middle School Teachers

WSC
- Program Terminations:
  - P.C. in Administrative Assistant Health Information Management
  - P.C. in Administrative Assistant Information Processing Technology
  - P.C. in Agronomy Technician
  - A.A.S., P.C. in Entrepreneurship
  - A.A.S. in Information Processing

Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, and Espegard voted aye. The motion carried unanimously. Dr. Diederich commended North Dakota State University for developing its Center for Professional Selling and Sales Technology.

Announcements
Chancellor Shirvani thanked the campus presidents and their staff for their work in preparation for legislative committees, stating that he was impressed and energized by their presentations. Chancellor Shirvani took the opportunity to introduce formally new University System senior staff members Linda Donlin, director of communications; Noah Brisbin, special assistant to the
The chancellor acknowledged the work of the search committee for new university counsel, which included Ms. Reichert, Mr. Shaft, Dr. Haller, and Mr. Thursby among its members.

Dr. Hjelmstad updated the Board on the Lake Region State College presidential search. He announced that the application window would close over the weekend, and that the search committee’s next meeting, on January 28, would produce a list of semifinalists for the committee to interview in February, with a new president chosen by March.

President Espegard thanked Erika Lorenz for her service to the Board as its secretary. President Espegard then announced dates for future Board meetings: March 7 in Bismarck, May 9 in Grand Forks, and June 20 in Bottineau.

The meeting adjourned at 2:05 p.m. CT.

March 7, 2013

[Signatures]