North Dakota State Board of Higher Education
Minutes of the February 27, 2014, Meeting
At Minot State University

Board Chair Diederich called the meeting to order at 8:05 A.M. CST.

Members present:

Dr. Kirsten Diederich, Board Chair
Mr. Grant Shaft
Ms. Kari Reichert
Dr. Doug Munske, Faculty Adviser
Mr. Duaine Espegard (phone)

Dr. Terry Hjelmstad, Vice Chair
Mr. Devin Hoffarth
Ms. Janice Hoffarth, Staff Adviser
Ms. Kathleen Neset
Mr. Don Morton

Interim Chancellor present: Dr. Larry C. Skogen

Institution Presidents present:

Dr. Ken Grosz, Dean, DCB
Dr. D.C. Coston, DSU
Dr. Doug Darling, LRSC
Dr. Gary Hagen, MaSU
Dr. John Richman, NDSCS
Dr. Dean Bresciani, NDSU (phone)
Dr. Robert Kelley, UND
Dr. Steve Shirley, VCSU
Mr. David Clark, Interim President BSC
Dr. David Fuller, MiSU
Dr. Raymond Nadolny, WSC

NDUS senior staff present:

Dr. Lisa Feldner, Vice Chancellor for Information Technology and Institutional Research
Dr. Sonia Cowen, Interim Vice Chancellor for Academic and Student Affairs
Mr. Murray Sagsveen, Chief of Staff and Director of Legal Services
Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
Ms. Linda Donlin, Director of Communications and Media Relations
Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education
Mr. Tim Carlson, Chief Auditor
Interviews
The State Board of Higher Education members conducted interviews of the following candidates for the
Minot State University presidency:

- Dr. Martin Slann
- Dr. Steven Shirley
- Dr. Lorrie Clemo

At the conclusion of the interviews, Chair Diederich stated the selection of the next President of Minot
State University could be discussed in an executive session; that the legal authority for closing this
portion of the meeting is North Dakota Century Code section(s) 15-10-17(a) and 44-04-19.2; and the
purpose of this executive session would be to review the recommendations of the search committee and
Chancellor, consider the appointment of a President, review any background information about the
candidates, and consider the contract terms.

Dr. Hjelmstad moved, Mr. Morton seconded, to enter into executive session in accordance with North
Dakota Century Code section 15-10-17 and 44-04-19.2 to consider (1) the appointment of, and contract
terms for, the next President of Minot State University; (2) consider any confidential or other background
information on the candidates; and (3) limit the executive session to voting board members, nonvoting
advisors, Chancellor, board counsel, and Executive Assistant. Hjelmstad, Morton, Espegard, Neset,
Diederich, Shaft, Reichert, Hoffarth voted yes. The motion carried.

Chair Diederich announced the executive session would be recorded; reminded all members of the
governing body to limit their discussion during the executive session to the announced topic; and
explained that any collective decision, collective commitment, or other final action by the governing body
would occur after the Board reconvened in an open meeting.

The participants of the executive session reconvened in the Fisher Room, student Center at Minot State
University. The executive session began at 11:16 A.M. CST; the following were present:

Dr. Kirsten Diederich, Board Chair
Dr. Terry Hjelmstad, Vice Chair
Mr. Grant Shaft
Mr. Devin Hoffarth
Ms. Kari Reichert
Ms. Kathleen Neset
Mr. Don Morton
Mr. Duaine Espegard (phone)
Ms. Janice Hoffarth, Staff Adviser
Dr. Doug Munski, Faculty Adviser
Interim Chancellor Dr. Larry C. Skogen
Mr. Murray Sagsveen, Counsel to the SBHE
Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

The executive session was adjourned at 11:45 A.M. CST.
The State Board of Higher Education reconvened in the Conference room at Minot State University.

Roll Call:
Dr. Kirsten Diederich, Board Chair
Dr. Terry Hjelmstad, Vice Chair
Mr. Grant Shaft
Mr. Devin Hoffarth
Ms. Kari Reichert
Ms. Kathleen Neset
Mr. Don Morton
Mr. Duaine Espegard (phone)
Ms. Janice Hoffarth, Staff Adviser
Dr. Doug Munski, Faculty Adviser

Dr. Hjelmstad moved, Espegard seconded, that the Board appoint Dr. Steven Shirley as the next President of Minot State University, subject to the following:

1. Completion of required background checks to the satisfaction of the Chancellor; and
2. Negotiation of an appropriate contract with Dr. Steven Shirley, to be signed by the chancellor, which includes the following terms:
   a. Benefits in accordance with state law and Board policy;
   b. Initial contract term is three years;
   c. Starting date is negotiable, but not later than July 1, 2014;
   d. Moving expenses in accordance with SBHE policy 806.3;
   e. Salary to be negotiated by the Chancellor, within the range approved by the Board in executive session.

Hjelmstad, Diederich, Espegard, Morton, Neset, Shaft, Reichert, and Hoffarth voted yes. The motion carried.

The Board recessed from 12:00 – 1:00 CST.

The State Board of Higher Education reconvened in the Conference room at Minot State University.

Roll Call:
Dr. Kirsten Diederich, Board Chair
Dr. Terry Hjelmstad, Vice Chair
Mr. Grant Shaft
Mr. Devin Hoffarth
Ms. Kari Reichert
Ms. Kathleen Neset
Mr. Don Morton
Mr. Duaine Espegard (phone)
Ms. Janice Hoffarth, Staff Adviser
Dr. Doug Munski, Faculty Adviser

Approval of Minutes
Hjelmstad moved, Hoffarth seconded, to approve the January 30, 2014, Board meeting minutes. Espegard, Neset, Morton, Hjelmstad, Hoffarth, Diederich, Shaft, and Reichert voted yes. The motion carried.

Approval of Board agenda
Hoffarth moved, Reichert seconded, to approve the Board agenda with the exception of item eleven (the annual budget guidelines were removed from the agenda). Espegard, Neset, Morton, Diederich, Shaft, Hjelmstad, Hoffarth, Reichert voted yes. The motion carried.

Board Chair Report
Board Chair Diederich congratulated Dr. Steven Shirley on his appointment as the new president to Minot State University.

Interim Chancellor’s Report
Interim Chancellor Skogen introduced Dr. Denver Tolliver from Upper Great Plains Transportation Institute. Dr. Tolliver explained how Upper Great Plains Transportation Institute (UGPTI) provides innovative transportation research, education, and outreach to promote the safe and efficient movement of people and goods. The UGPTI, created in 1967 at NDSU, employs about 50 graduate and undergraduate students.

Higher Learning Commission
Dr. Skogen briefed the Board about a January 5, 2014, letter from the Higher Learning Commission to the Legislative Council in regards to the November ballot measure. Two key paragraphs of the letter stated:

The Commission has not received a detailed implementation plan for the new governance structure and therefore the details of how this structure would work remain unclear. Thus I can comment only on the structure as it is described in the legislation itself. I believe the proposed structure as described in the legislation raises questions about whether, once the structure goes into effect, the institutions would be in compliance with the Commission’s requirements on governance….

A change in the governance structure of an institution of the magnitude of what is proposed in the legislation falls under the Commission’s Change of Control, Structure or Organization policy. The Commission must review such changes to determine prior to their taking effect whether the institution undergoing the governance change will remain in compliance with the Commission requirements and thus whether accreditation will continue once the governance change is implemented. The details of how and when this review by the Commission will take place have not yet been determined, but the review will need to take place well before the implementation date of July 1, 2015….
Status Report on Interim Chancellor Skogen’s Annual Goals
Interim Chancellor Skogen presented a quarterly update to the State Board of Higher Education on the status of his annual goals:

- NDUS Communications plan – Increase in trust demonstrated by North Dakota citizens for the NDUS; good legislative/government agency relationships; good relationship with institutional leaders; good media relations.
- Pathways – Ensure the implementation of the Pathways to Student Success plan with data-driven decisions incorporated into Pathways and meeting stated timelines.
- Strategic Plan – Development of an NDUS strategic plan that includes system office strategies.
- Compliance Plan – An operational compliance program and appropriate risk management survey that demonstrates a culture of compliance.
- System-wide Master Facility Plan – The development of a system-wide master facility plan that is used in the biennial budget process.
- Develop Biennial budget – The development of a biennial budget for NDUS.

Pathways to Student Success Update
Dr. Sonia Cowen informed the Board that, in mid-December 2013, two taskforces were created. The Remedial Education taskforce, which includes State Superintendent Kirsten Baesler, will work to bring remedial courses to twelfth grade students. Community college faculty, teacher education faculty, and other participants will assist grade 12 math and English teachers in the development, adoption, alignment and use of new teaching strategies for the delivery of competency and proficiency based instruction.

The Admissions Index taskforce is reviewing the current admission index in Pathways and is considering recommending amendments to the admission index to the State Board of Higher Education. A sub-committee has been formed to collect accurate data.

The Best Practices in Remedial Education taskforce, created in mid-January, is looking into best practices in regards to remedial education. There are different approaches for different target groups:

- First-time, full-time college freshmen not enrolled in ND’s public high schools.
- First-time, full-time college freshmen who did not progress to college directly from high school (including Adults).
- Talented in areas not requiring high skills in math and English (e.g., proficient in languages other than English).

UND REAC Building
Interim Chancellor recognized the purchase of the REAC building could have been handled differently and takes responsibility for it. He apologized for any confusion or ill will that this has cost the SBHE, Legislative Assembly, UND, and the NDUS office.

North Dakota Student Association
Ms. Jennifer Vetter informed the Board members that after the January Board meeting concerning Pathways, each campus’ Student Government or other representative body has been encouraged to collaborate with their administrators. The North Dakota Student Association (NDSA) supports the overall concepts in the Pathways plan, while recognizing that there are issues students would like to see addressed prior to full implementation. The North Dakota Student Association is open to supporting the continuation of a portion of the bond portion of the ConnectND fee if a very clear need is demonstrated to continue to provide essential services for the students.

**Council of College Faculties (CCF)**
Dr. Doug Munski, Faculty Adviser on the SBHE, expressed appreciation for including faculty representation on the SBHE Committee on Academic and Student Affairs. He announced Dr. Eric Murphy will be the new faculty advisor to the SBHE beginning in July 2014.

**Staff Senate Report**
Ms. Janice Hoffarth, Staff Adviser to the SBHE, indicated she continues to work with the NDUS office on a policy change related to employee tuition waivers for self-supporting courses.

**Higher Learning Commission (HLC) Visit**
Board Chair Diederich announced that the Higher Learning Commission has scheduled April 28 and 29, 2014, to visit NDUS. The HLC representatives plan to speak with Board members, presidents, and students. Board Chair Diederich asked Board members to be available on these dates.

Chair Diederich indicated that HLC has asked the SBHE for a written response to the HLC complaint prior to their planned April visit. She provided a copy of the draft response to each board member. Mr. Shaft disagreed with certain language and requested that minor modifications be made to the letter. Board members agreed that the minor modifications would not significantly change the points made in the letter.

Board Chair Diederich asked the Presidents for their input. UND President, Dr. Robert Kelley, stated that the changes are realistic and recommended that Board Chair Diederich, Mr. Shaft, and Interim Chancellor finalize the letter together.

Shaft moved, Reichert seconded, to approve Board Chair Diederich, Mr. Shaft, and Interim Chancellor Skogen to revise and send the letter to the Higher Learning Commission on behalf of the SBHE. Espegard, Hjelmstad, Shaft, Reichert, Diederich, Shaft, and Reichert voted yes, Neset absent. The motion carried.

**SBHE Meeting Revisions**
Hjelmstad moved, Hoffarth seconded, to approve the following SBHE meeting revisions:
- Venue change for March 27, 2014, from WSC to BSC
- SBHE Retreat, July 30 and 31, 2014 at Lake Metigoshe

Espegard, Morton, Diederich, Hjelmstad, Hoffarth, Shaft, and Reichert voted yes, Neset absent. The motion carried.
Approve Honorary Degrees
Dr. Raymond Nadolny, President of Williston State College, recommended honorary associate degrees for Mr. Ward Koeser and Mr. Stanley W. Lyson.

Hjelmstad moved, Morton seconded, to approve honorary associate degrees to Mr. Ward Koeser and Mr. Stanley W. Lyson. Espegard, Hoffarth, Hjelmstad, Morton, Diederich, Shaft, and Reichert voted yes, Neset absent. The motion carried.

Exemption to SBHE Policy 901
Ms. Glatt informed the Board that SBHE Policy 901 requires a new campus master plan every six years, with updates and revisions in the intervening periods. According to policy and past planning cycles, campuses were to develop new plans during CY2014, as part of the biennial budget process. Ms. Glatt requested an exemption to SBHE policy 901, since the System is engaged in a systemwide master plan process this year. The consultants will be reviewing both campus and system planning activities and making recommendations and it would be appropriate to wait until that process is complete and incorporate any changes into the next new planning documents.

Shaft moved, Reichert seconded, to approve the campus’ use of their updated existing master plans during CY2014, with the expectation that new campus master plans would be developed during CY2016, as part of the next biennial budget cycle. Those plans would be prepared consistent with any planning changes resulting from the system-wide master plan process. Shaft, Reichert, Espegard, Hjelmstad, Diederich, Morton, and Hoffarth voted yes, Neset absent. The motion carried.

Financial and Facility Consent
Hoffarth moved, Shaft seconded, to approve the following facility consent items. Espegard, Hjelmstad, Diederich, Morton, Hoffarth, Shaft, and Reichert voted yes, Neset absent. The motion carried.

- Approved a resolution authorizing University of North Dakota to issue not more than $29,000,000 in UND Housing and Auxiliary Facilities Revenue Bonds, Series 2014, and authorize the execution of related documents for financing the remodeling and renovation of UND’s Wilkerson Hall dining center.

- Authorized UND to proceed with miscellaneous renovation projects throughout McCannel Hall at an estimated cost of $470,000, to be funded by McCannel bond reserves.

- Authorized UND to proceed with lab renovation to Harrington Hall at an estimated cost of $364,914 to be funded $314,914 from local funds and $50,000 from gift funds.

- Authorized UND to proceed with miscellaneous renovation projects throughout Memorial Union of up to $328,500, funded from (not to exceed each): Credit Union relocation cost share $40,000; Memorial Union bond reserves $138,500; and, 2013-15 state appropriated extraordinary repair funding $150,000.
• Authorized WSC to increase spending for the Workforce Training project from $6,738,267 to $8,238,267 funded from $500,000 general fund, $2,500,000 financed through the Bank of North Dakota, $1,750,000 received as an oil impact grant from the Department of Trust Lands, $2,600,000 in private fundraising, and $888,267 in local funds generated from training activities and to proceed with the project contingent upon successful fund raising efforts. Furthermore, seek Budget Section approval per NDCC 48-01.2-25.

• Authorized MiSU to solicit funds for possible capital projects in the context of a campus-wide fundraising campaign, primarily tied to MiSU’s Centennial campaign.

• Approved, effective immediately, State Grant Advisory Committee appointments:
  o Donna Seaboy, Sitting Bull College Financial Aid Director
  o Mikayla Greely, UND student

And, to reaffirm the State Grant Advisory Board’s continuing members:
  o Sandy Klein, DSU Financial Aid Director
  o Steve Martin, Minot High School Counselor
  o Dr. John Richman, NDSCS President
  o Valerie Heilman, Dakota College Financial Aid Director
  o Steve Bensen, Mayville State Fiscal Officer.

• Authorized VCSU to increase the project authorization for the Historic President’s House – ADA Upgrades from $250,000 to an estimated cost of $450,000 to be funded up to $315,000 from appropriated capital asset funding and up to $135,000 private funds. Further, seek Budget Section approval for the change in project amount per NDCC 48-01.2, and proceed once all approvals are in place and private funds are available or guaranteed.

• Authorized Dakota College at Bottineau to increase spending for the Campus Generator project from $375,820 to $450,200, an increase of $74,380 funded through $16,675 in capital projects contingency pool, and $57,705 in operating funds; seek Budget Section approval for the increase in spending per NDCC 15-10-12.1; and to proceed with the project once all approvals have been received. Also, request authorization to transfer $57,705 operating funds to capital assets per Section 35 of SB2003.

• Authorized NDSU to proceed with the renovation of the Food Production Laboratory Complex (formerly the Family Life Center (FLC) Nutrition, Dietetics and Hospitality Laboratories) in the amount of $750,000 to be funded from up to $203,716.30 from 2013-15 State Challenge Grant funds and up to $546,283.70 in private funds.

• Authorized UND to proceed with construction of the University of North Dakota School of Medicine and Health Sciences (SMHS) Bismarck Center for Family Medicine Skywalk Project at an estimated cost of $1,500,000 to be funded $750,000 from 2013-15 capital assets funding and
$750,000 in private funds. Further, request authorization to inform the Budget Section as it relates to the acquisition and construction procedures through Sanford Health.

### Stage II Academic Requests

Stage II/Institutional Organization:
- VCSU—Request for a Department of Language and Literature; effective summer semester 2014.

Morton moved, Shaft seconded, to approve stage II academic request. Morton, Shaft, Espegard, Hoffarth, Diederich, Hjelmstad, and Reichert voted yes, Neset absent. The motion carried.

### Policies (1st reading)

- 802.8 Internal Audit Charter

Morton moved, Hoffarth seconded, to approve first reading of SBHE Policy 802.8. Espegard, Shaft, Diederich, Hjelmstad, Reichert, Morton, and Hoffarth voted yes, Neset absent. The motion carried.

- 810.1 Appropriated Reserve Funds.
  Ms. Glatt briefed the Board on the proposed SBHE Policy 810.1. Reserve funds are needed: 1) to protect against sudden shortfalls in revenue (e.g., unforeseen enrollment decline or reduction in state appropriation); 2) to cover unanticipated significant expenses (e.g., one-time legal fees, major disasters, increases in utility costs); 3) ability to plan for one-time initiatives; and 4) to obtain strong accreditation scores and bond ratings. She said it is presented as a target, instead of a firm standard, at this point in time, due to the uncertainty of financial impacts of Pathways implementation. Following implementation of the full Pathways Plan, consideration will be given to whether a change is made to move it to a firm standard.

Shaft moved, Hjelmstad seconded, to approve first reading of SBHE policy 810.1. Shaft, Hjelmstad, Espegard, Morton, Diederich, Hoffarth, and Reichert voted yes, Neset absent. The motion carried.

### Policy Adoption (2nd reading)

Hjelmstad moved, Hoffarth second to approve second reading and final adoption of policies 302.1, 302.2, 302.3. Espegard, Morton, Diederich, Shaft, Hjelmstad, Hoffarth, and Reichert voted yes, Neset absent. The motion carried.

- SBHE Policy 302.1 - Academic, and Student Affairs Committee
- SBHE Policy 302.2 - Audit Committee
- SBHE Policy 302.3 - Budget and Finance Committee
- SBHE Policy 304.1 - Chancellor/Commissioner of Higher Education: Authority and Responsibilities (Amend)
Morton moved, Hoffarth second to approve 2nd reading and adoption of SBHE policy 304.1. Espegard, Shaft, Diederich, Hjelmstad, Morton, Hoffarth, and Reichert voted yes, Neset absent. The motion carried.

**HR Policy 20 - Other Paid Leave**

Hjelmstad, moved, Reichert second to approve second reading and adoption of HCR policy 20. Espegard, Shaft, Diederich, Hjelmstad, Reichert, Morton, and Hoffarth voted yes, Neset absent. The motion carried.

Shaft moved, seconded by Hoffarth, to adjourn at 5:20 p.m. CST. The motion carried.

Approved on March 27, 2014, by the State Board of Higher Education.