**North Dakota State Board of Higher Education**  
**Budget and Finance Committee**  
**Meeting Notice and Agenda**  
**Friday, May 9, 2014**

The State Board of Higher Education Budget and Finance Committee will meet at the Bismarck State College Horizon Building, in the conference room, 1815 Schafer St., Bismarck, ND 58501 on Friday, May 9, 2014 at 8:30 a.m. CT.

**Call to Order**

1. Presentation of system facility master plan– Paulien and Associates  
   
   Click on hyperlink to view presentation

2. Approval of April 16, 2014 Minutes

3. Presentation of proposed 2015-17 Biennial Operating Budget Request – Chancellor Skogen *(Materials to be sent separately after May 5 Cabinet meeting)*

4. Review and recommend approval of FY15 SBHE budget

5. Review and recommend approval to ratify Chancellor’s interim authorization for Bismarck State College to increase spending for **Phase 1 of the Communications and Creative Arts Center project** from $13,300,000 to $13,860,626, an increase of $560,626 funded through capital projects contingency pool, and proceed with the project.

6. Review and recommend approval to authorize NDSU to proceed with installation of a **temporary seasonal bubble for Dacotah Field** funded by private funds in the amount of $380,000. Further, request authorization to seek interim approval from the Chancellor, and approval from the budget section in the event that bids being opened on or near June 10, 2014 require additional legislative authorization in order to proceed.

7. HB 1281 discussion – Chair Espegard

---

Contact Terry Meyer (701) 328-2963 or terry.meyer@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
The State Board of Higher Education Budget and Finance Committee met at the University of North Dakota, Gorecki Alumni Center, Burgum Suite, on Wednesday, April 16, 2014, at 8:30 a.m. CT.

SBHE Budget and Finance Committee members participating:
- Duaine Espegard, Chairman
- Grant Shaft
- Kari Reichert, participated via conf. call
- Janice Hoffarth, non-voting, absent

Others participating:
- Larry Skogen, Chancellor
- Laura Glatt, Vice Chancellor for Administrative Affairs
- Rick Tonder, Director, Facility Planning
- Robin Putnam, Director of Financial Reporting
- Linda Donlin, Director of Communications and Media Relations
- Terry Meyer, Administrative Support Manager
- Kathryn Rand, Dean, UND Law School
- Alice Brekke, VP, Finance & Operations, UND
- Bruce Bollinger, VP, Finance & Administration, NDSU
- John Richman, President, NDSCS
- Ray Nadolny, President, WSC
- Mr. Greg Lardy, chair of the NDSU Animal Science Department
- Kirsten Diederich, President, SBHE
- Representative Mark Sanford

Mr. Espegard convened the meeting at 8:30 a.m.

**March 6, 2014 Minutes**

It was moved by Mr. Shaft, seconded by Ms. Reichert to approve the March 6, 2014, minutes. Shaft, Reichert, and Espegard voted aye. The motion carried.

**FY13 Campus Financial Review report**

Ms. Putnam reviewed the FY13 campus annual financial review report. The purpose of the report is to gain an understanding of the financial health of each institution, and to identify trends for the timeframe FY2010 through FY2013. The purpose isn’t to compare ratios of institutions to one another but to compare them to the industry standard. The standards
are general industry standards, other than the CFI Index, which was added this year for the first time. The CFI Index is utilized by the Higher Learning Commission (HLC).

She described the financial health of each campus as contained on pages 20-22 in the report summary. She indicated that the following campuses have overall good ratios and financial position: BSC, DCB, MaSU, MiSU, NDSU, and UND. The report notes that additional long-term debt at BSC, LRSC, VCSU and WSC should be carefully considered.

The Committee requested follow-up reports from DSU, LRSC, NDSCS, VCSU and WSC in light of emerging trends.

Ms. Putnam indicated she will update the SHEEO funding comparisons when the new SHEEO report is released and will distribute an updated version to the committee.

The Composite Financial Index (CFI) information by campus (which includes combined campus and foundation information) is included in this report for the first time and is required by the Higher Learning Commission (HLC), as explained by Ms. Putnam. The CFI creates one overall financial measurement of an institution’s health based on four core ratios: primary reserve ratio, net income ratio, viability ratio and the return on net assets ratio. When HLC evaluates the CFI for accreditation review purposes they have three zones, “Above,” “In,” and “Below” In FY2013, all NDUS campuses, with the exception of LRSC, fell into the “Above” zone. LRSC fell in the “In” zone. If LRSC remains in the “In” zone for two or more consecutive years, a financial panel review would be triggered.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Component unit(s) included in CFI</th>
<th>FY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>VCSU¹</td>
<td></td>
<td>3.98</td>
</tr>
<tr>
<td>NDSU</td>
<td></td>
<td>3.90</td>
</tr>
<tr>
<td>UND</td>
<td></td>
<td>3.90</td>
</tr>
<tr>
<td>NDSCS</td>
<td></td>
<td>3.36</td>
</tr>
<tr>
<td>WSC</td>
<td></td>
<td>2.39</td>
</tr>
<tr>
<td>MiSU</td>
<td></td>
<td>2.37</td>
</tr>
<tr>
<td>BSC</td>
<td></td>
<td>1.89</td>
</tr>
<tr>
<td>MaSU</td>
<td></td>
<td>1.78</td>
</tr>
<tr>
<td>DCB</td>
<td></td>
<td>1.75</td>
</tr>
<tr>
<td>DSU</td>
<td></td>
<td>1.18</td>
</tr>
<tr>
<td>LRSC</td>
<td></td>
<td>0.91</td>
</tr>
</tbody>
</table>

¹In FY2013, a timing difference occurred related to the refinancing of the 2003 VCSU Kolstoe Bonds. The refinance was substantially completed by June 30th but the repayment from the refinance occurred on July 1, 2014. GASB accounting standards required both the original debt and the new debt to be reflected in VCSU’s general ledger at June 30, 2013. Excluding the impact of the timing difference, the FY2013 CFI would have been 3.87.

Ms. Glatt pointed out that the CFI score includes the financial statement component units/foundations. She said this creates some presidential concern since presidents have little, if any, control over the activities of the foundation, but it may impact the CFI score. Mr. Bollinger said it is required by HLC guidelines that the campus foundations be included
in the CFI information, so while internally we can look at scores with and without foundations, for HLC they have to be included.

After further discussion, the committee asked Ms. Putnam to provide the CFI information both including and excluding the foundations.

**It was moved** by Mr. Shaft, seconded by Ms. Reichert to accept the Campus Financial Review report and ask DSU, LRSC, NDSCS, VCSU, and WSC to develop a plan of action to address the issues raised in the report and bring those plans of action back to the committee for review. Reichert, Shaft, and Espegard voted aye. The motion carried.

**HR Policy 4 – probationary**

Ms. Glatt said *HR Policy 4 – probationary* from the human resource manual impacts broadbanded employees. The proposed revisions are a clarification to require a probationary period of no less than six months at time of hire. The probationary period could be extended longer than six months, but cannot be less than six months. She said there has been a policy in place for a period of time, but the campuses have each been interpreting the policy differently, so these revisions are only to add clarification to ensure consistency across the System.

**It was moved** by Mr. Shaft, seconded by Mr. Espegard to recommend approval of the proposed changes to HR Policy 4 – probationary to the SBHE. Shaft, Reichert, and Espegard voted aye. The motion carried.

**2014-15 State Grant Award Amount and Budget**

Mr. Espegard said the State Grant Advisory Board is recommending the following for the 2014-15 academic year.

1. State Grant Award Amount: Increase the amount of the ND State Grant from $1,648 to the maximum allowed by statute, $1,650 per eligible student.
2. 2014/15 Budgets: To establish initial eligibility for applicants by the NDUS, the following budgets are recommended for 2014/15. These budgets, represent a 4% increase over the 2013/14 budgets based on average tuition/fees, room/board, books, miscellaneous expenses as defined by the 2013-14 Career Outlook publication.
   a. Four-Year Research Universities $19,674
   b. Four-Year Public Universities $17,088
   c. Two-Year Public Universities $13,712
   d. Tribal Colleges $13,712
   e. Private Institutions $25,358

**It was moved** by Mr. Shaft, seconded by Ms. Reichert to recommend the state grant changes to the SBHE. Reichert, Shaft, and Espegard voted aye. The motion carried.
**15-17 Biennial Budget**

Mr. Espegard noted that the Committee will take up the 15-17 biennial budget request at their next meeting and indicated that he would like to see a focus on student affordability, especially as it relates to tuition, in the next budget.

**Update from UND on Deficits reported in December 2013 Semi-Annual Budget Report**

Mr. Espegard asked Ms. Brekke to address variances in housing and dining and the EERC deficit which were included in the Dec. 2013 Semi-Annual Budget Report reviewed at the last committee meeting.

With regard to increasing private sector availability of student housing, Ms. Brekke said it is not UND’s intent to compete with the private sector for apartment housing. Although she acknowledged that there may be limited on-campus apartment needs associated with educational and programming needs of some students. She said that although UND has had periodic residence housing master plans, it needs to be updated again and will be pursued following conclusion of the national search that is currently underway for a new Residence Life Director.

Ms. Brekke pointed out that that housing and dining aren’t operating at a deficit, they have adjusted their spending to align with revenues and number of students being served. She said the housing/dining variance in the report is a variance between annual projections made at the beginning of the fiscal year and an updated annual estimate as of December 31st.

Ms. Brekke pointed out that EERC had a deficit reduction plan approved in Sept. 2013; however, it is not tracking according to plan. EERC finished June 30, 2013 with an operating deficit that was a bit over $1 million. The reduction plan anticipated an increase in the deficit of $300,000 in FY14 and then in FY15 they would begin a repayment plan. EERC has made a small staffing reduction and had a number of factors in place to increase awards to support the staffing levels, but have not reached these goals.

As of Dec. 31, 2013 the deficit is anticipated to grow another $500,000, instead of $300,000 as expected in the deficit reduction plan. In late January 2014, the EERC Director requested that President Kelley provide a greater proportion of indirect cost recovery back to the EERC to address the deficit. To date, the President has not acted on the request as it has broader financial implications for the university.

Ms. Brekke a review in mid-March suggests the deficit may actually grow by $750,000 compared to the original $300,000 that was projected. These projections were also showing an additional deficit for FY15. So rather than being in a position of repayment of the deficit, EERC will be further in debt. She noted she meets monthly with EERC staff and both her and President Kelley have emphasized the need for additional permanent changes to bring revenues and spending into alignment. The Committee asked UND to bring a new EERC deficit reduction plan back to the next committee meeting.
System Master Plan Update
Mr. Tonder provided an update on the status of the 2014 NDUS Master Plan. The draft deferred maintenance information will be available April 15 and a partial draft master plan available around May 1. The draft plan will be presented to the committee at the May meeting with a final report to the committee and SBHE in June. This will assist with the SBHE’s development of the capital project priority list.

Mr. Shaft suggested to Chairwoman Diederich that the full board should have a discussion on how this master plan process will help facilitate the Board’s development of the capital project priority list. Ms. Diederich agreed.

Capital Project Oversight Guidelines
Mr. Tonder said an important part of his role in capital project oversight is to provide consistency and compliance with policy and statute. At the Sept. 2013 SBHE meeting, the board approved project management oversight guidelines, as required by 2013 legislation. He said in addition to consistency and compliance, he is working on the items below to better ensure projects remain within scope and budget:

- develop common contractual requirements for architects and contractors;
- upgrading and updating the architect and engineering manuals;
- develop a contract manual.

Mr. Shaft said his concern is about the front-end of the process and finding ways to ensure a more solid cost estimate at the time the project comes to the SBHE and legislature. Mr. Tonder agreed, but indicated that it can be very costly to develop these solid estimates, which are generally not known until bids are in hand. Campuses are reluctant to invest that amount of money in a project that may or may not move forward and be funded. Mr. Shaft suggested that perhaps instead of campuses asking for 2-3 projects each biennium, they focus on a few with better cost estimates. Mr. Tonder said he believes the master plan under development will provide some guidance on this issue.

Ms. Glatt suggested that one alternative may be to develop more solid cost estimates on projects once the SBHE sets its capital project priority list, but before they are considered by the Governor and/or legislature for funding.

Ms. Reichert asked whether the facility master plan is tied to the NDUS Strategic Plan. Mr. Tonder said that the master plan consultant has examined the NDUS Strategic Plan and ND workforce needs to help determine future facility needs. With regard to a question about short-term vs. long-term needs, Mr. Tonder said the master plan will address both, including needs over the next twenty years. Rep. Sanford said it is important that the NDUS remain nimble in addressing workforce needs.

In response to a concern raised by Mr. Shaft about whether adequate preparation and funding is available for non-state funded projects considered by the SBHE as part of the capital project process, Ms. Glatt indicated that due to the authorization process required for some of these, they need to be put into the hopper early, which makes it difficult. She
said it would be helpful to work with the legislature to identify a means for interim
approval of some projects that emerge that were not anticipated in advance of or during
the legislative session. In the absence of this, some projects have to wait another two years
increasing cost, and limiting our ability to respond to needs.

Ms. Glatt reminded the committee that one of the BFC responsibilities, according to policy,
is to consider projects with a major change in scope or amount. She said it would be
helpful to have committee guidance on what is considered “major” for purposes of this
section.

**Capital Project Performance Audit Recommendation 1-6**

Ms. Glatt reviewed recommendation 1-6 in the April 5, 2010 Performance Audit Report on
University System Capital Projects. There are two issues in this recommendation: First,
projects that come to the board for approval (request for authorization to proceed, request
to increase previously authorized project amount, etc.), the auditor’s office suggested that
the minutes don’t reflect any changes so they question whether the board is adding value to
the process. Secondly, the report addresses the need for project management to ensure
that when estimates and projects move forward there is sufficient knowledge and expertise
applied to those projects.

Ms. Glatt asked committee members about their continued interest (or not) in approving
some or all projects, and if they receive adequate information to make informed decisions.
Mr. Shaft said he is not concerned that projects are being approved. He said as a lay board
they rely on the staff to ensure that projects that are placed on the agenda have been
properly vetted. He said he believes the SBHE should still be involved in project approval.
Chancellor Skogen said he certainly sees the board adding value to the process.
Chair Espegard said he recognizes the staff work that goes into each project before it is
considered by the SBHE and does not see a need to change that process. Further, the other
recommendation of the State Auditor’s Office has been addressed with the addition of Mr.
Tonder.

**Campus Facilities Requests**

Mr. Tonder presented NDSCS’s request to increase spending and the allocation of capital
contingency funds for the Old Main Renovation project and MaSU’s Campus-wide Drainage
Improvement project.

**It was moved** by Shaft, seconded by Reichert, to recommend the SBHE grant *increased spending
authority for the NDSCS Old Main Renovation project* from $8,085,879 to $8,444,657, an increase
of $358,778 funded through capital projects contingency pool; and to proceed with the project once
all approvals have been received. Shaft, Reichert, and Espegard voted aye. The motion carried.

**It was moved** by Shaft, seconded by Reichert, to recommend the SBHE grant *increased spending
authority for the MaSU Campus-wide Drainage Improvements project* from $2,153,650 to
$2,249,209, an increase of $95,559 funded through capital projects contingency pool; and to
proceed with the project once all approvals have been received. Shaft, Reichert, and Espegard voted
aye. The motion carried.
Mr. Bollinger said in 2003, at the request of NDSU, the NDSU Development Foundation obtained financing through the issuance of $4,355,000 bonds to construct a climate controlled barn/arena for horse shows and other events, and leased the facility to NDUS until November 2, 2024. Under the terms of that agreement NDSU has the option to now purchase the Equine Center for $1 pending approval from the SBHE. Mr. Greg Lardy, chair of the NDSU Animal Science Department addressed how the campus has been using the building. He said the Equine program came into existence in 2003 and the program has grown to 71 students. One of the unique features of the program is that they offer Equine Assisted Therapy, minor and certificate, something not every program in the country offers. The curriculum not only combines classroom and lab activities, but also significant portion of the training is with the horses in the Equine Center itself, through riding courses, etc. There are other groups, such as rodeo and riding club that use the facilities. The arena is essentially being used daily throughout the academic year.

In response to a question of whether the Equine Center was ever approved by the SBHE when first developed, Mr. Bollinger said it wasn’t. Mr. Espegard said that policy has since been changed and projects such as this involving a lease would now require Chancellor approval, which he believes is appropriate.

In response to a question of whether there are other similar projects that obligate campuses, Chancellor Skogen said a report was recently provided to the Government Finance Committee, at their request, and this will be provided to the Committee.

It was moved by Espegard, seconded by Shaft, to recommend the SBHE grant NDSU authority to purchase from the NDSU Development Foundation, for $1, Lot 3, Block 1, North Dakota Horsepark Addition to the City of Fargo, also known as the NDSU Equine Center. Shaft, Reichert, and Espegard voted aye. The motion carried.

Mr. Tonder reviewed the UND Law School renovation and addition project request to increase authority from $11,400,000 to $13,907,448. He said that while the project is eligible for capital project contingency funds, bids are not yet in hand, so a request for contingency funds may be forthcoming at a later date. At this time, UND is seeking authority to solicit private funds for the additional $2,507,448

Dean Rand indicated that the project planning started in 2007, with a state appropriation in 2013. The charts in the meeting materials highlight those aspects of the project scope that are critical to address the reaccreditation concerns. She said the University will be able to proceed with the 15,000 foot addition, and the private funds will allow them to select bid alternates to complete other project components intended to meet accreditation requirements, as the private funds become available.

It was moved by Shaft, seconded by Reichert, to recommend the SBHE grant increased legislative spending authority for the UND Law School renovation and addition project from $11,400,000 in state general fund to $13,907,448, of which $11,400,000 is from general fund and $2,508,448 to be paid from private funds. Further, authorize UND to solicit private funds to enable completion of the full scope envisioned for the Law School renovation and addition project. Additionally, authorize UND to 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. Reichert, Shaft, and Espegard voted aye. The motion carried.

**Governor’s model and tuition**  
This was delayed to the May SBHE meeting

**HB 1281**  
This was delayed to the May SBHE meeting

**Future committee meeting dates**  
It was suggested that the committee meet May 19 in Bismarck and the majority of that agenda will be dedicated to discussion of the 2015-17 budget request. The committee suggested two meetings, one to consider the budget proposal, and a second to act on the proposal. Mr. Espegard asked Ms. Glatt to identify dates and work with committee members to determine what works.

Mr. Espegard asked Ms. Glatt to look at the Governor’s funding model and look at the ramifications of adding base funding at WSC and MiSU last session. She will provide this information at the next meeting.

Meeting adjourned at 11:10 a.m.
TO: Members, State Board of Higher Education
FROM: Laura Glatt
DATE: May 2, 2014
RE: FY15 SBHE Budget

Memo #M-14-2

SBHE policy 302.3, requires the Budget and Finance Committee to review and recommend for approval “Annual budget for the functioning of the SBHE.”

Attachment 1 is a proposed FY15 SBHE operating budget for your consideration. A total of $100,000 is proposed for per diem pay and travel, including mileage, lodging, meals, airfare, etc. It is based on an average of two out-of-state trips per SBHE member for professional development and participation in other regional and national meetings, along with in-state travel for SBHE, legislative, commencements, and other meetings, etc. This is consistent with past practice as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Budget</th>
<th>Actual/Est. Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15 Proposed</td>
<td>$100,000</td>
<td>N/A</td>
</tr>
<tr>
<td>2013-14</td>
<td>$100,000</td>
<td>$73,038</td>
</tr>
<tr>
<td>2012-13</td>
<td>$100,000</td>
<td>$78,746</td>
</tr>
<tr>
<td>2011-12</td>
<td>$100,000</td>
<td>$88,422</td>
</tr>
<tr>
<td>2010-11</td>
<td>$86,930</td>
<td>$49,910</td>
</tr>
<tr>
<td>2009-10</td>
<td>$71,930</td>
<td>$73,924</td>
</tr>
</tbody>
</table>

A higher budget allotment of $12,625 is provided to each the SBHE President and Vice President in recognition of their respective roles, while $10,500 is budgeted for other SBHE members. Furthermore, $4,500 is set aside for each of the faculty and staff advisors to the SBHE. These funds are allocated to the employing campus who in turn works with the advisor to provide release time, compensation or some other arrangement for their SBHE duties. Travel is budgeted for the student member of the SBHE, but no compensation is provided since the student member receives a full tuition and fee waiver during their term on the Board.

The budget plan includes an undesignated pool of $1,100. Should an individual SBHE member need to exceed their budget allotment, the SBHE president can approve reallocation from this pool to specific members of the SBHE.

Any funds not utilized by the SBHE under this budget plan can later be reallocated for other purposes.

Attachment 2 is a copy of SBHE policy 706.1 which outlines Board Member and Advisor Per Diem Payments.

PROPOSED MOTION: Approve $100,000 SBHE budget for FY15.

Attachments
g:\Laura\docs\wp\board\sbhe 14-15 budget memo.docx
### 2014-15 Annual SBHE Per Diem/Travel Budget

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBHE President</td>
<td>$47 5,600.00</td>
<td>$7,025</td>
<td>$12,625</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBHE Vice President</td>
<td>$47 5,600.00</td>
<td>$7,025</td>
<td>$12,625</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBHE Board Member</td>
<td>$41 4,600.00</td>
<td>$5,900</td>
<td>$10,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBHE Board Member</td>
<td>$41 4,600.00</td>
<td>$5,900</td>
<td>$10,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBHE Board Member</td>
<td>$41 4,600.00</td>
<td>$5,900</td>
<td>$10,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBHE Board Member</td>
<td>$41 4,600.00</td>
<td>$5,900</td>
<td>$10,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pool</td>
<td>$11 1,100.00</td>
<td>$1,880</td>
<td>$2,980</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$310 35,300.00</td>
<td>$45,430</td>
<td>$80,730</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBHE Student Member</td>
<td>37</td>
<td>3,270</td>
<td>3,270</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBHE Staff Advisor</td>
<td>33 4,500</td>
<td>3,500</td>
<td>8,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBHE Faculty Advisor</td>
<td>33 4,500</td>
<td>3,500</td>
<td>8,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Per Diem | $32,400 | $28,550 | $33,800 | $54,352 | $54,352 | $44,300 |
| Travel   | $30,530 | $43,380 | $53,130 | $45,648 | $45,648 | $55,700 |
| **Total** | **$62,930** | **$71,930** | **$86,930** | **$100,000** | **$100,000** | **$100,000** |

- **Less Actual (estimated) Expenses**
  - $49,500 | $73,924 | $49,910 | $88,442 | $78,746 | $73,038 |

- **Under (Over) Budget**
  - $13,430 | $(1,984) | $37,020 | $11,558 | $21,284 | $26,982 |

1/ HB1003 (2011) increased SBHE per diem rates from $100 to $148 per day; total cost increase = $14,880 (FY12)
2/ $4500 allocated to Staff Advisor is not per diem but campus reimbursement (FY12)
3/ $4500 allocated to Faculty advisor is not per diem but campus reimbursement (FY12)

C:/Users/tmeyer/AppData/Local/Microsoft/Windows/Temporary Internet Files/Content.Outlook/XK5ZYWL/SBHE Per diem and Travel Budget 2014-2015 Board Approval (2).xls FY15 Budget Proposal
Policies and Procedures

SBHE Policies

SUBJECT: 700s: Compensation  EFFECTIVE: September 15, 2011
Section: 706.1 Board Member and Advisor Per Diem Payments

1. Board members shall be paid per diem at the rate established by the legislative assembly. The Budget and Finance Committee shall recommend and the Board in its annual budget shall establish limits on the total number of days in each year for which a Board member may claim per diem, subject to adjustments made by the Board.

2. Per diem shall be paid for the following events, within the budget approved by the Board and as documented on the required reimbursement form:

   a. Attendance at regularly scheduled meetings and special meetings, except telephonic conference meetings requiring one hour or less which do not require travel by Board members. For telephonic conferences requiring more than one hour but less than four hours, Board members are entitled to one-half the per diem for a full day and for telephonic conference meetings requiring four hours or more, Board members are entitled to the full per diem.

   b. As the spokesperson and representative of the Board according to Policy 310.1, the Board president may claim per diem for dedication ceremonies, informal meetings with the governor or other officials and other groups or other events involving discussion of Board business. The Board president may request that the vice president or other Board member participate in a dedication, meeting or other event in place of or in addition to the president, in which case the vice president or other Board member may claim per diem.

   c. Attendance by a Board member in an official capacity as a designated representative of the Board at other meetings or functions, including meetings of the medical center advisory council, Board subcommittees or task forces, new Board member orientation, legislative hearings, commencements and meetings of interstate compacts or other organizations to which the state or Board, or Board member as an official representative of the Board belongs.

   d. In addition to events attended as an official representative of the Board or at the request of the Board president, the annual Board budget shall include funds for reimbursement, including per diem, for up to five days, including partial days for each Board member to attend informal meetings or other events involving Board business at the Board member’s discretion, with the Board president’s approval. Board members shall inform and consult the
Board president regarding the topic or topics to be discussed in advance unless it is not practical to do so, in which case they shall inform and consult the Board president as soon as practical after the event. In addition, upon request in advance by a Board member, the Board president may approve reimbursement of per diem in excess of five days for attendance at such events by a member, subject to Board approval of allocation of additional funds for such reimbursement. Board members are entitled to reimbursement including per diem for such events only as approved by the Board president.

3. A Board member is not entitled to per diem for attendance at campus athletic, social or cultural events, or other campus events or meetings with campus officials attended upon invitation of campus officials and not as the official representative of the Board.

4. Per diem shall be paid for travel days when travel is necessary on the day before or after a meeting or other function for which per diem is paid. For travel days for which per diem is not otherwise due, Board members shall be paid one-half the per diem for a full day for travel less than four hours and the full per diem for travel requiring four or more hours.

5. Board members shall be reimbursed for travel expenses from the system office appropriation for attendance at meetings and functions for which per diem is paid. Travel expenses for attendance by Board members at other campus functions at the invitation of the campus' chief executive officer shall be reimbursed by the host campus; however, expenses for travel to campus athletic, cultural or social events not involving Board business may not be reimbursed. The faculty and staff advisors shall be reimbursed for travel expenses from the system office appropriation for attendance at Board meetings and functions and council of college faculty or staff senate meetings. The faculty and staff advisors shall be reimbursed for mileage only from the system office appropriation for other official meetings or functions requiring travel to or from campuses. Lodging and meals for the faculty and staff advisors for these additional events shall be furnished by the host campus.

6. Per diem and reimbursement for travel to out-of-state meetings or conferences shall be paid only when approved in advance, in writing, by the president of the Board.

STATUTORY REFERENCE: N.D.C.C 15-10-08

History:
SBHE Minutes, March 8, 1984, page 5220.
Amendment SBHE Minutes, January 20, 1994, page 6427.
Amendment SBHE Minutes, April 20, 1994, page 6483.
Amendment SBHE Minutes, January 27, 2005.
Amendment SBHE Minutes, September 15, 2011.

[ Back to website ]
Bismarck State College, May 29, 2014

REQUESTED ACTION (SBHE policy 902.3):
Ratify Chancellor’s interim authorization for Bismarck State College to increase spending for Phase 1 of the Communications and Creative Arts Center project from $13,300,000 to $13,860,626, an increase of $560,626 funded through capital projects contingency pool, and proceed with the project.

Project Description
The vision for the BSC Communications & Creative Arts Center (CCAC) is a place that will have adequate performance venues for student and community activities; replace the current library with a Learning Commons that will provide a 21st century collaborative environment for student and community engagement; house vital communications faculty and classrooms; and, host community and state agencies dedicated to the same sorts of activities that develop critical thinking, communications, and creativity skills.

The BSC Library was constructed over 40 years ago to serve a very different student population in a very different technological world. Not only is the facility structurally stressed, as indicated by the structural evaluation, but the dedication of space designed to house stacks of library books is simply antiquated in the 21st century. Our discussions about this project have highlighted the need to move from a traditional library to a technologically enhanced “Learning Commons” where students access electronic resources and interact in learning groups. The failing infrastructure of the current library, along with the desire to establish a Center where creativity and communications (thus, soft skills) serve the entire community, off and on-campus, led the intellectual development of this project.

Phase I of the project will house our Learning Commons (library), Visual Art, and Communication programs. Due to construction cost escalations in the Bismarck area, the project was reduced in design development phase from initial estimates of 59,290 sq. ft. to 39,530 sq. ft. This reduction in size has significantly impacted academic programming in this facility and as a result, the Theatre and Music support programs (which were initially included in the scope of this project) will need to remain in their current location in Schafer Hall.

As part of our design development for the project, a decision was made to heat the facility with new heat pumps located in Schafer Hall. New energy efficient boilers for Schafer Hall have been on BSC’s deferred maintenance list for many years. By having one set of controls to monitor and maintain for both buildings, the campus saves on administrative and engineering fees and will incur efficiencies. Cost of the boilers is prorated to the project based on square footage of the building and cost of the work to bring the lines through JSC to the building is allocated in its entirety to the project. The heating lines will run from Schafer Hall through Jack Science Center (JSC) and enter the building through the connecting link; therefore the connecting link (bid as alternate #1) is vital to the success of the project. Additionally, fire rated windows and doors are required surrounding the skyway connection because JSC is not sprinkled. The base bid includes heavy metal doors that do not hold up well in extreme weather conditions and require larger power units to run the handicap access door. Alternative #2 is for aluminum window/door assemblies which are lighter and require less maintenance.
Following completion of the project, the intent is to demolish the current Library, with the cost of demolition to be within the total $13.3 million project. Space vacated in Werner Hall permit that facility to be converted back to its original housing purpose or maintained for other purposes until such time as Werner Hall in its entirety is renovated. BSC intends to use $300,000 of the $600,000 general funds to develop programming for the Center, consistent with the legislative intent noted below.

Consistency with Campus Facility Master Plan and Budget
A fine arts center is identified for the first time in our 1994 master plan. It is identified graphically in our 2000 master plan. The project combines two projects referenced in our March of 2010 master plan. In that plan we identified a fine arts center as new construction and library renovation as future projects. These two projects are combined into the BSC Communications & Creative Arts Center.

SBHE and/or Legislative History
- The Legislative Budget Section approved use of pre-planning funds for this project. In addition, the Legislature has provided a $19.3 million capital improvement appropriation for the 2013-15 biennium.
- The State Board of Higher Education included the project in the priority list for capital projects prior to the 2013 Legislative session.
- SB2003 (2013) includes appropriation authority of $12,635,000 in general fund (which is net of 5% or $665,000 retainage that was moved to capital projects contingency pool in the NDUS Office; remaining amount $560,626) and $6,665,000 in other fund authority for the project. Up to $600,000 of the general fund appropriation for the project may be used to develop programming at the communications and creative arts center that (includes written and spoken communications, visual and performing arts, social sciences, history, law, economics, philosophy, and current events. Funding may be used for items including curriculum development, student activities, faculty enhancement, public programming, and the development and publication of appropriate media to promote these activities.)
- In September 2013 the SBHE authorized BSC to proceed with Phase I of the project, totaling $13,300,000. The SBHE also authorized BSC Foundation to conduct a formal fund raising campaign for Phase I of up to $665,000 and Phase II of up to $6,000,000 for construction of the theater.

Estimated Total Purchased or Donated Costs (including alternates #1 & #2)

<table>
<thead>
<tr>
<th>PHASE I</th>
<th>Original Amount</th>
<th>Revised Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning, Permits and Insurance (design costs associated with current project, OMB preplanning revolving funds, architect and engineer fees, permits, insurance)</td>
<td>$1,000,000</td>
<td>$1,000,116</td>
</tr>
<tr>
<td>Land/Building Preparation and Purchase or Donated Costs (land acquisition and site)</td>
<td>$200,000</td>
<td>$199,859</td>
</tr>
<tr>
<td>Description</td>
<td>Cost 1</td>
<td>Cost 2</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>--------</td>
<td>------------</td>
</tr>
<tr>
<td>Demolition and Disposal</td>
<td>$500,000</td>
<td>$298,042</td>
</tr>
<tr>
<td>Construction (foundation and building construction or renovation, including fixed equipment, landscape, infrastructure and utilities, mechanical and electrical, parking and driveways or roadways)</td>
<td>$9,200,000</td>
<td>$10,493,549</td>
</tr>
<tr>
<td>Institutional work (value of work completed by institutional trade staff)</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>$600,000</td>
<td>$523,837</td>
</tr>
<tr>
<td>Hazardous Material Abatement (for demolition of the library)</td>
<td>$200,000</td>
<td>$125,000</td>
</tr>
<tr>
<td>Other, including 3rd party costs (The other costs include $300,000 to be used in accordance with legislative intent)</td>
<td>$600,000</td>
<td>$443,110</td>
</tr>
<tr>
<td>SUBTOTAL (if total exceeds $250,000, requires SBHE approval)</td>
<td>$12,300,000</td>
<td>$13,083,513</td>
</tr>
<tr>
<td>Furniture, Fixture and Equipment (FF&amp;E)</td>
<td>$1,000,000</td>
<td>$777,113</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$13,300,000</td>
<td>$13,860,626</td>
</tr>
</tbody>
</table>

No other work, other than that specified within this request, is required for the completion of the project not is other work planned to supplement this project using funding or authority not included within this request.

Future Operating/Improvement Costs and Funding Sources

The annual estimated future operating expense is $200,000 which would require additional funding.

Source and Availability of Funds (Including FF&E)

For Phase I, BSC received a 2013-15 capital improvement appropriation. The funds include $12,635,000 from the general fund and $665,000 from special funds, which are in hand or have been guaranteed by the BSC Foundation. $560,626 is available in the NDUS capital project contingency pool for this project. Access to these funds is critical to meet the objectives of the project.

Estimated Project Timeline and Completion Date

It is anticipated that Phase I of the project could be complete by July 1, 2015.
North Dakota State University, May 29, 2014

Authorize NDSU to proceed with installation of a temporary seasonal bubble for Dacotah Field funded by private funds in the amount of $380,000. Further, request authorization to seek interim approval from the Chancellor, and approval from the budget section in the event that bids being opened on or near June 10, 2014 require additional legislative authorization in order to proceed.

Project Description

Dacotah Field was moved to its present location west of the Bison Sports Arena (BSA) in 1970. A new 7,000 seat grandstand and combination built-in press box replaced the old wooden bleachers in the outdoor field in 1972. Artificial turf replaced the grass field and floodlights were added in 1975.

In 1992, the NDSU football team played its last regular season game on Dacotah Field. The construction of the Fargodome and the agreement between the Dome Authority and NDSU meant that all football home games would be played in the Fargodome. Today Dacotah Field is used by the University for sports teams practice, physical education classes, strength and conditioning training for athletes, various university sponsored and hosted camps, Gold Star Marching Band practice, campus sports clubs games (Lacrosse, cricket), intramurals; by local high schools for practices and games; by local colleges for practices and games; and by various other community programs and camps, such as the Special Olympics and FM Youth football. The University soccer team also dedicated the field last fall for all of its scheduled games.

Donors have approached NDSU with the proposal of installing a temporary seasonal inflatable air practice bubble over the existing synthetic surface of Dacotah field. This bubble will provide a protected environment to allow outdoor sports teams like football, baseball, softball, golf, and soccer to continue to practice since space in the FargoDome is limited. With the Sanford Health Athletic Complex under construction for the next two years, it will give the athletic programs more options instead of leasing space. The facilities that now exist for off-season and inclement weather practices are overcrowded and limited, hampering the year-round preparation of the various athletic teams. Therefore, the bubble would afford greater opportunities for use of the field by all users on a year round basis.

The practice bubble will be a unique enclosure. Instead of using jersey barriers to anchor the bubble down, the plan will be to bury concrete below the turf surface on Dakota Field that reduces the work to erect and disassemble on a yearly basis. The bubble will be dismantled every spring and all components, including HVAC and any other portable equipment, will be removed from the field and stored to allow outdoor activities on the field. The outdoor activities will continue through the fall and once soccer has finished its season, the bubble will be erected and activities can take place on the field during the winter months. When not in use by the University, the plan is to rent the bubble field space to community entities and the revenue will be used to pay for the operating and annual dismantling costs.

The project cost estimates below have been prepared in good-faith by a professional design consultant. NDSU anticipates that all construction work will be completed well within this amount. In the unlikely event that actual bids received are greater, NDSU will seek the required additional authorizations. With consideration for the compressed time frame for this project to be completed,
NDSU is requesting authorization to obtain both interim authorization from the Chancellor for board approval, as well as permission to seek authorization from the budget section during their next regularly scheduled meeting, if necessary.

### Consistency with Campus Facility Master Plan and Budget

Athletics and recreation are important factors in a student’s post-secondary experience. Besides the academic components for those students majoring in these areas, students benefit from the social, physical, emotional, educational, and professional (time management, discipline, communication skills) aspects that athletics and recreation provide. In addition, year round usage of Dacotah Field will provide opportunities for NDSU to exercise the traditional land grant principal responsibilities: Teaching, Research and Public Service.

### SBHE and/or Legislative History

None

### Estimated Total Purchased or Donated Costs (ALL costs should be included in the estimate, unless specifically noted otherwise).

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Planning, Permits and Insurance</strong> (design costs associated with current project, OMB preplanning revolving funds, architect and engineer fees, permits, insurance)</td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>Land/Building Preparation and Purchase or Donated Costs</strong> (land acquisition and site preparation/development)</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Demolition and Disposal</strong></td>
<td>$0</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>$315,000</td>
</tr>
<tr>
<td>Utility installation and hook-up</td>
<td></td>
</tr>
<tr>
<td><strong>Institutional work</strong> (value of work completed by institutional trade staff)</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Contingency (10%+)</strong></td>
<td>$35,000</td>
</tr>
<tr>
<td><strong>Hazardous Material Abatement</strong></td>
<td>$0</td>
</tr>
<tr>
<td><strong>Other, including 3rd party costs (please describe)</strong></td>
<td>$0</td>
</tr>
<tr>
<td><strong>SUBTOTAL (if total exceeds $250,000, requires SBHE approval)</strong></td>
<td>$380,000*</td>
</tr>
<tr>
<td><strong>Furniture, Fixture and Equipment (FF&amp;E)</strong></td>
<td>$1,525,000</td>
</tr>
<tr>
<td>Dome package, cable, lights, doors, inflation/heating unit w/backup generator, concrete for anchoring, installation, netting, goal posts, contingency, etc.</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$1,905,000</td>
</tr>
</tbody>
</table>

*The construction total indicated represents a good-faith effort by professional design consultants in estimating actual costs with a standard contingency.

No other work, other than that specified within this request, is required for the completion of the project nor is other work planned to supplement this project using funding or authority not included within this request.

### Future Operating/Improvement Costs and Funding Sources

The cost of erecting, taking down and moving to storage would be approximately $25,000 per year and approximately $30,000 per year for utilities, depending on variables of weather, when the bubble is erected/taken down, etc. The athletic department would cover those cost through non-appropriated dollars.
Source and Availability of Funds *(including FF&E)*
Private donations, which are sufficient and available for the project

Project Management Oversight *(consistent with 9/25/13 SBHE approved guidelines)*
The Director of Facilities Management will be the project manager supporting this project in compliance with SBHE guidelines approved 9/25/13.

Estimated Project Timeline and Completion Date
The project will be bid in early June with substantial completion of the construction in late August. Installation of the bubble would be sometime in early November.
Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013

HOUSE BILL NO. 1281
(Representatives Heilman, Beadle, Dockter, Looyesen, Mock, Porter, Thoreson, Vigesaa)
(Senators Grindberg, J. Lee, Sorvaag)

AN ACT to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to the assessment of institutions of higher education; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Assessment of institutions.

1. Before the state board of higher education may impose an assessment on or otherwise require that individual institutions of higher education pay for any goods or services provided by or through the university system office, the state board must seek approval from the budget section of the legislative management.

2. This section does not apply to any assessments or payment obligations for goods or services in effect before the effective date of this Act.

SECTION 2. EXPIRATION DATE. This Act is effective through June 30, 2015, and after that date is ineffective.
ARTICLE VIII
EDUCATION

Section 1. A high degree of intelligence, patriotism, integrity and morality on the part of every voter in a government by the people being necessary in order to insure the continuance of that government and the prosperity and happiness of the people, the legislative assembly shall make provision for the establishment and maintenance of a system of public schools which shall be open to all children of the state of North Dakota and free from sectarian control. This legislative requirement shall be irrevocable without the consent of the United States and the people of North Dakota.

Section 2. The legislative assembly shall provide for a uniform system of free public schools throughout the state, beginning with the primary and extending through all grades up to and including schools of higher education, except that the legislative assembly may authorize tuition, fees and service charges to assist in the financing of public schools of higher education.

Section 3. In all schools instruction shall be given as far as practicable in those branches of knowledge that tend to impress upon the mind the vital importance of truthfulness, temperance, purity, public spirit, and respect for honest labor of every kind.

Section 4. The legislative assembly shall take such other steps as may be necessary to prevent illiteracy, secure a reasonable degree of uniformity in course of study, and to promote industrial, scientific, and agricultural improvements.

Section 5. All colleges, universities, and other educational institutions, for the support of which lands have been granted to this state, or which are supported by a public tax, shall remain under the absolute and exclusive control of the state. No money raised for the support of the public schools of the state shall be appropriated to or used for the support of any sectarian school.

Section 6.
1. A board of higher education, to be officially known as the state board of higher education, is hereby created for the control and administration of the following state educational institutions, to wit:
   a. The state university and school of mines, at Grand Forks, with their substations.
   b. The state agricultural college and experiment station, at Fargo, with their substations.
   c. The school of science, at Wahpeton.
   d. The state normal schools and teachers colleges, at Valley City, Mayville, Minot, and Dickinson.
   e. The school of forestry, at Bottineau.
   f. And such other state institutions of higher education as may hereafter be established.

2. a. The state board of higher education consists of eight members. The governor shall appoint seven members who are qualified electors and taxpayers of the state, and who have resided in this state for not less than five years immediately preceding their appointments. These seven appointments are subject to confirmation by the senate.

   The governor shall appoint as the eighth member of the board a full-time resident student in good academic standing at an institution under the jurisdiction of the state board. Except for the student member, no more than two
persons holding a bachelor's degree from a particular institution under the jurisdiction of the state board of higher education may serve on the board at any one time. Except for the student member, no person employed by any institution under the control of the board shall serve as a member of the board and no employee of any such institution may be eligible for membership on the state board of higher education for a period of two years following the termination of employment.

The governor shall nominate from a list of three names for each position, selected by action of four of the following five persons: the president of the North Dakota education association, the chief justice of the supreme court, the superintendent of public instruction, the president pro tempore of the senate, and the speaker of the house of representatives and, with the consent of a majority of the members-elect of the senate, shall appoint from the list to the state board of higher education seven members. The governor shall ensure that the board membership is maintained in a balanced and representative manner. The term of office of members appointed to fill vacancies at the expiration of said terms shall be for four years, and in the case of vacancies otherwise arising, appointments shall be made only for the balance of the term of the members whose places are to be filled. A member may not be appointed to serve for more than two terms. If a member is appointed to fill a vacancy and serves two or more years of that term, the member is deemed to have served one full term.

b. In the event any nomination made by the governor is not consented to and confirmed by the senate, the governor shall again nominate a candidate selected from a new list. The nomination shall be submitted to the senate for confirmation and the proceedings shall continue until an appointee has been confirmed by the senate or the session of the legislature has adjourned.

c. If a term expires or a vacancy occurs when the legislature is not in session, the governor may appoint from a list selected as provided, a member who shall serve until the opening of the next session of the legislature, at which time the appointment must be certified to the senate for confirmation. If the appointee is not confirmed by the thirtieth legislative day of the session, the office shall be deemed vacant and the governor shall nominate another candidate for the office. The same proceedings shall be followed as are set forth in this section. If the legislature is in session at any time within six months prior to the date of the expiration of the term of any member, the governor shall nominate a successor from a list selected as above set forth, within the first thirty days of the session and upon confirmation by the senate the successor shall take office at the expiration of the incumbent's term. No person who has been nominated and whose nomination the senate has failed to confirm is eligible for an interim appointment. On or before July first of each year, beginning in 1995, the governor shall appoint a student member from a list of names recommended by the executive board of the North Dakota student association for a term of one year, beginning on July first. A student member may not serve more than two consecutive terms.

3. The members of the state board of higher education may only be removed by impeachment for the offenses and in the manner and according to the procedure provided for the removal of the governor by impeachment proceedings.

4. Each appointive member of the state board of higher education, except the student member, shall receive compensation set by the legislative assembly for the time actually spent devoted to the duties of the member's office. All members shall receive necessary expenses in the same manner and amounts as other state officials for attending meetings and performing other functions of their office.
5. The legislature shall provide adequate funds for the proper carrying out of the functions and duties of the state board of higher education.

6. a. The state board of higher education shall hold its first meeting at the office of the state board of administration at Bismarck, on the 6th day of July, 1939, and shall organize and elect one of its members as president of such board for a term of one year. It shall also at said meeting, or as soon thereafter as may be practicable, elect a competent person as secretary, who shall reside during his term of office in the city of Bismarck, North Dakota. Said secretary shall hold office at the will of the board. As soon as said board is established and organized, it shall assume all the powers and perform all the duties now conferred by law upon the board of administration in connection with the several institutions hereinbefore mentioned, and the said board of administration shall immediately upon the organization of said state board of higher education, surrender and transfer to said state board of higher education all duties, rights, and powers granted to it under the existing laws of this state concerning the institutions hereinbefore mentioned, together with all property, deeds, records, reports, and appurtenances of every kind belonging or appertaining to said institutions.

b. The said state board of higher education shall have full authority over the institutions under its control with the right, among its other powers, to prescribe, limit, or modify the courses offered at the several institutions. In furtherance of its powers, the state board of higher education shall have the power to delegate to its employees details of the administration of the institutions under its control. The said state board of higher education shall have full authority to organize or reorganize within constitutional and statutory limitations, the work of each institution under its control, and do each and everything necessary and proper for the efficient and economic administration of said state educational institutions.

c. Said board shall prescribe for all of said institutions standard systems of accounts and records and shall biennially, and within six (6) months immediately preceding the regular session of the legislature, make a report to the governor, covering in detail the operations of the educational institutions under its control.

d. It shall be the duty of the heads of the several state institutions hereinbefore mentioned, to submit the budget requests for the biennial appropriations for said institutions to said state board of higher education; and said state board of higher education shall consider said budgets and shall revise the same as in its judgment shall be for the best interests of the educational system of the state; and thereafter the state board of higher education shall prepare and present to the state budget board and to the legislature a single unified budget covering the needs of all the institutions under its control. "Said budget shall be prepared and presented by the board of administration until the state board of higher education organizes as provided in subsection 6a." The appropriations for all of said institutions shall be contained in one legislative measure. The budgets and appropriation measures for the agricultural experiment stations and their substations and the extension division of the North Dakota state university of agriculture and applied science may be separate from those of state educational institutions.

e. The said state board of higher education shall have the control of the expenditure of the funds belonging to, and allocated to such institutions and also those appropriated by the legislature, for the institutions of higher education in this state; provided, however, that funds appropriated by the legislature and specifically designated for any one or more of such institutions, shall not be used for any other institution.
7. a. The state board of higher education shall, as soon as practicable, appoint for a term of not to exceed three (3) years, a state commissioner of higher education, whose principal office shall be at the state capitol, in the city of Bismarck. Said commissioner of higher education shall be responsible to the state board of higher education and shall be removable by said board for cause.
b. The state commissioner of higher education shall be a graduate of some reputable college or university, and who by training and experience is familiar with the problems peculiar to higher education.
c. Such commissioner of higher education shall be the chief executive officer of said state board of higher education, and shall perform such duties as shall be prescribed by the board.

8. This constitutional provision shall be self-executing and shall become effective without the necessity of legislative action.