North Dakota State Board of Higher Education
Minutes of the May 29, 2014, Meeting
Neset Consulting Services, Inc.

Board Chair Diederich called the meeting to order at 8:45 a.m. CST.

Members present:

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

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

Interim Chancellor present: Dr. Larry C. Skogen

Institution Presidents present:
Dr. Ken Grosz, Dean, DCB
Dr. D.C. Coston, President, DSU
Dr. Doug Darling, President, LRSC
Dr. Gary Hagen, President, MaSU
Dr. John Richman, President, NDSCS
Dr. Dean Bresciani, President, NDSU
Dr. Robert Kelley, President, UND
Dr. Steve Shirley, President, VCSU
Mr. David Clark, Interim President, BSC
Dr. Dick Jenkins, Vice President Student Affairs, MiSU
Ms. Kaylyn Bondy, Director of Effectiveness and Registrar, WSC

NDUS senior staff present:
Dr. Lisa Feldner, Vice Chancellor for Information Technology and Institutional Research
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
Mr. Tim Carlson, Chief Auditor
Ms. Connie Sprynczynatyk, Director of Strategic Planning
Dr. Sonia Cowen, Interim Vice Chancellor for Academic and Student Affairs
Ms. Kirsten Franzen, Chief Compliance Officer
Mr. Rick Tonder, Director of Facilities Planning
Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education
Approval of Minutes
Morton moved, Espegard seconded, to approve the April 24, 2014, and May 6, 2014, Board meeting minutes.

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

Approval of Board agenda
Espegard moved, Hoffarth seconded, to approve the Board agenda with the following amendment:
• Add voting for State Board Higher Education officers

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

Board Chair Report
Board Chair Diederich thanked Ms. Kathleen Neset for hosting the Board meeting. She welcomed Connie Sprynczynatyk to the system office as the Director of Strategic Planning.

Ms. Neset thanked the Hess Corporation for providing their follow-the-barrel tour.

Interim Chancellor’s Report
Mr. Rick Tonder, North Dakota University System (NDUS) Director of Facilities Planning, introduced Dan Paulien, President, and Frank Markley, Principal of Paulien and Associates, along with Peter Scanlon, Vice President of Professional Services. They presented a draft NDUS System-wide master plan.

Mr. Sagsveen, NDUS Chief of Staff, provided a memorandum regarding Constitutional Measure 3 and possible implications for accreditation of the institutions. He informed the Board that Constitutional Measure 3 is on the November 4, 2014, ballot. It would replace the eight-member citizen governing Board with a three-member, full-time Commission. He explained the steps that the Board should promptly take if Constitutional Measure 3 is approved in November and that passage of the Measure could jeopardize the accreditation of NDUS institutions and programs.

Interim Chancellor Skogen presented the NDUS Veteran’s Enrollment Report. He stated that there will be more discussion on how the system can assist veterans at the SBHE retreat in July.

Dr. Skogen reported that there was a collaborative summit held at the Capitol involving tribal leadership and system staff. Dr. Skogen stated that he plans to re-energize the system’s diversity council.

Tenure Requests
Hoffarth moved, Morton seconded, to approve two Tenure requests submitted by North Dakota State University.
• Paul Kelter, PhD, Director, CIEI/CSME and Professor in School of Education, College of Human Development and Education.
Todd Lewis, PhD, Associate Professor in School of Education, College of Human Development and Education.

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

Hjelmstad moved, Espegard seconded, to ratify the contract and terms for Valley City State University’s Interim President, Dr. Margaret Dahlberg.

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

President Emeritus Status
Hjelmstad moved, Hoffarth seconded, to approve president emeritus status for retiring Minot State University President David Fuller effective upon his retirement on June 30, 2014.

Reichert, Morton, Hjelmstad, Diederich, Hoffarth, and Espegard, voted yes. Neset and Shaft voted no. The motion carried.

Espegard moved, Reichert seconded, to approve the following SBHE meeting venue changes:
- October 30, 2014 from NDSU to VCSU
- November 20, 2014 from VCSU to NDSU

2015-2017 Biennial Budget Request
The SBHE heard testimony on five proposed budget requests:
State Board of Agricultural Research and Education (SBARE), given by Mike Beltz, Chair of SBARE.
Upper Great Plains Transportation Institute (UGPTI), given by Denver Tolliver, Director of UGPTI.
Northern Crops Institute (NCI), Mark Weber, Director of Northern Crops Institute.
Forest Service, given by Larry A. Kotchman, State Forester.
School of Medicine and Health Services (SMHS), given by Joshua Wynne.

SBHE Budget and Finance Committee
Committee Chair Espegard stated the SBHE Budget and Finance Committee recommend approval of the following:
- Approve the FY 2015 SBHE Budget
- BSC - Ratify Interim Chancellor approval to access capital project contingency pool funds of $560,626 for Phase I of the Communications and Creative Arts Center.
- Authorize NDSU to proceed with installation of a temporary seasonal bubble for Dacotah Field funded by private funds in the amount of $380,000.
- Grow North Dakota Grandfathering Plan. Rescind May 2013 action requiring MiSU to begin phase out of the Grow North Dakota plan, pending further resolution and approval of Pathways tuition model implementation.

Shaft moved, Hjelmstad seconded, to approve the three SBHE Budget and Finance Committee recommendations.
Reichert, Neset, Morton, Shaft, Hjelmstad, Diederich, Hoffarth, and Espegard, voted yes. The motion carried.

Mr. Espegard stated the committee also approves the expansion of the Wilson M. Laird Core and Sample Library on the UND campus, and he recommended the following motion:

• Approval is contingent upon development of a memorandum between the University of North Dakota (UND) and the North Dakota Industrial Commission - Department of Mineral Resources-Geological Survey (NDGS) to be separately approved by the State Board of Higher Education and the North Dakota Industrial Commission (NDIC), which, in addition to other terms and conditions required for use of this land, specifies that replacement of UND parking surfaces used for construction of the facility be included within the budget request of the NDGS for this project, and NDGS will support the request for replacement parking at such time as funding request(s) are made.

Shaft moved, Hjelmstad seconded, to approve the recommended motion concerning the expansion of the M. Laird Core and Sample Library on the UND campus.

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

Financial and Facility Consent

Hoffarth moved, Morton seconded, to approve the following financial and facility consent items:

• Authorize increase spending for miscellaneous renovation projects throughout UND’s Memorial Union from $328,500 to $838,500, an increase of $510,000, to be paid from: Memorial Union bond reserves up to $138,500; Credit Union relocation cost share up to $40,000; 2013-15 state appropriated extraordinary repair funding up to $150,000; McCannel Hall bond reserves up to $432,000; Student Government Investment Funds up to $98,000; 2013-15 state appropriated funds up to $187,230; and, student technology fee up to $3,000.

• Ratify Chancellor’s interim approval to authorize fundraising up to $15,000,000 for a new VCSU Health, Wellness, and Physical Education facility, with a total estimated cost of $16,000,000. An additional $1,000,000 to be received through the State Challenge Grant.

• Authorize NDSU to proceed with construction of a new shop facility for use by the Ag Service Center Staff in the amount of $968,000 to be funded $484,000 from indirect costs and $484,000 from local funds.

• NDSU requests authorization to rename Living Learning Center East and West to the Mathew Living Learning Center as per SBHE Policy 902.12.

• Authorize NDSU to proceed with the demolition of the Reed Property at an estimated cost of $80,000 to be funded from the 2013-15 operations line item. Further, approve a transfer of $80,000 from 2013-15 operations to capital assets.

• Authorize NDSU to proceed with the replacement of underground water mains and sanitary sewer mains at an estimated cost of $1,000,000 to be funded $750,000 from 2013-15 one time deferred maintenance funds and $250,000 in utility sales.
Reichert, Neset, Morton, Shaft, Hjelmstad, Diederich, Hoffarth, and Espegard, voted yes. The motion carried.

SBHE Academic and Student Affairs Committee
Committee Chair Diederich stated the committee recommends consent approval for the following:

State II/New Program

- North Dakota State University’s Request for a New Programs: B.A. and B.S. in Art Education; effective fall 2014.

Stage II/Program Termination

- University of North Dakota’s Request for Termination: M.S. in Psychiatric and Mental Health-Clinical Nurse Specialist; and Graduate (Post Master’s) Certificate in Psychiatric and Mental Health-Clinical Nurse Specialist; effective fall 2014.
- Williston State College’s Request for Termination: A.A.S. in Diesel Technology; effective fall 2014.

Stage II/Organizational Change

- North Dakota State University’s Request for an Organizational Change: Reorganize the existing Center for Community Vitality From College of Agriculture, Food Systems, and Natural Resources To College of Arts, Humanities, and Social Sciences; effective fall 2014.
- University of North Dakota’s Request for an Organizational Change: From Department of Entrepreneurship to School of Entrepreneurship; effective fall 2014.

SBHE Audit Committee
Committee Chair Neset informed the Board that John Grettum, Office of the State Auditor, presented an audit and communication plan to the committee on May 23, 2014.

Ms. Franzen presented an overview of best practices in compliance programs in higher education.

Election of SBHE Officers
Hjelmstad moved, Reichert seconded, to appoint Dr. Kirsten Diederich as President of the SBHE for 2014-2015.

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

Espegard moved, Shaft seconded, to appoint Dr. Terry Hjelmstad as Vice President of the SBHE for 2014-2015.

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

Board Policy
Mr. Sagsveen presented the first reading of SBHE Policy 703.3.

Espegard moved, Neset seconded, to approve first reading of SBHE policy 703.3.
Neset, Morton, Shaft, Hjelmstad, Hoffarth, Reichert, Espegard, and Diederich voted yes. The motion carried.

Mr. Sagsveen presented the second reading of SBHE HR policy 4.

Espegard moved, Hoffarth seconded, the adoption of SBHE policy 703.3.

**Adjourn**

Approved on June 26, 2014, by the State Board of Higher Education.