The State Board of Higher Education will meet on Thursday, February 26, 2015, 1:00 p.m. CT, Bismarck State College, NECE building, EGC 335, 1200 Schafer Street, Bismarck, ND 58506. The live video stream can be viewed after Board training at: http://www.ndus.edu/board/live-stream/.

(1:00-2:00 p.m. CT) Board Training - Fiduciary Responsibilities Related to North Dakota University System Retirement Plans

Call to Order
1. Approval of Agenda
2. Approval of Meeting Minutes
   • January 29, 2015

Reports and Public Comment
3. Board Chair’s Report – Board Chair Hjelmstad
4. Interim Chancellor’s Report – Interim Chancellor Skogen
   • Shared Services Update and Discussion – President Bresciani
   • Presidential Goals
   • Legislative Update
5. Institutional Reports
7. Council of College Faculties (CCF) Report – Fernando Quijano
8. Staff Senate Report – Emma Tufte
9. Public Comment

Board Business
10. Action on legislation, as necessary
11. Approve Delay to Deadline Date for Final Implementation of New Tuition Model
12. Delegate Authority to the Chancellor to Hire a Consultant to Assist with the DSU Presidential Search
13. Appoint a Board Member to Chair the DSU Presidential Search Committee
14. Authorize Name Change of UND’s Wilkerson Hall to “Wilkerson Commons”
15. Authorize DSU to Issue Revenue Bonds to Acquire Three Student Housing Units from DSU Foundation

SBHE Academic and Student Affairs Committee Recommendations – Chair Reichert
16. Committee Consent:
   I. Stage II – New Programs
      • North Dakota State College of Science’s request for a new program: Certificate in Dialysis Technician, (CIP Code 51.1011), effective fall 2015.
      • Valley City State University’s request for a new program: B.A. and B.S. in Environmental Science, (CIP Code 03.0104), effective fall 2015.

   II. Stage II – Organizational Change
• University of North Dakota’s request for an organizational change: From Department of Geography to Department of Geography and Geographic Information Science, effective fall 2015.

• Valley City State University’s request for an organizational change to establish a new center: Don Mugan Career and Technical Education Leadership Center (DMCTELC), effective summer 2015.

SBHE Budget and Finance Committee Recommendations – Chair Morton

17. Committee Consent:

I. NDSU Dickinson Research Center (DREC) seeks approval to proceed with sale of 30 acres of land or a portion of the December 2014 SBHE previously approved sale of total 240 acres. Additional authorization is now required as specific information regarding sale value of the 30 acres is now available. Legislation is pending to approve the transaction.

18. Other Consent

I. Authorize NDSU to proceed with the low rise lavatories renovation project in Reed Hall (one stack), Phase IV at an estimated cost of $1,400,000 to be funded from auxiliary local funds.

II. Authorize NDSU to proceed with the demolition of Thordarson Hall and Expansion of T Lot at an estimated cost of $540,000 to be funded from appropriated operating funds ($265,000) and Parking local funds ($275,000). Authorize the transfer of $265,000 from the 2013-15 operations to capital assets line as per SB2003 (2013), section 35.

III. Authorize NDSU to proceed with the expansion of MU Lot at an estimated cost of $600,000 to be funded from Parking local funds.

Board Policy
First Reading
None

Second Reading
19. Policy 903 – Sales or Removal of Buildings

Policies Under Review
• Policy 340.2 – Foundations
• Policy 918 – Alcoholic Beverages on Campus
• Policy 611.10 – Employee Responsibility and Activities: Theft, Fraud, Abuse and Waste
• Policy 840 – Contract Review

Adjourn

Future Board Meetings
• March 26, 2015 – BSC
• April 30, 2015 – BSC

Contact Kristie Hetzler (701) 328-2966 or Kristie.hetzler@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
The following draft minutes have not yet been approved by the SBHE
North Dakota State Board of Higher Education
Minutes of the January 29, 2015, Meeting
At Bismarck State College

Board Chair Hjelmstad called the meeting to order at 11:04 a.m. CT.

Members present:

Dr. Terry Hjelmstad, Chair
Mr. Don Morton
Mr. Grant Shaft
Ms. Kari Reichert
Dr. Eric Murphy, Faculty Adviser
Ms. Kathleen Neset, Vice Chair
Dr. Kevin Melicher
Mr. Chris McEwen
Ms. Janice Hoffarth, Staff Adviser

Interim Chancellor present: Dr. Larry C. Skogen

Institution Presidents present:

Dr. Doug Darling, President, LRSC
Dr. Gary Hagen, President, MaSU
Dr. John Richman, President, NDSCS
Dr. Steve Shirley, President, MiSU
Dr. Ray Nadolny, President, WSC
Dr. Tisa Mason, President, VCSU
Dr. Dean Bresciani, President, NDSU
Dr. Robert Kelley, President, UND
Mr. Dave Clark, Interim President, BSC

NDUS senior staff present:

Mr. Murray Sagsveen, Chief of Staff and Director of Legal Services
Dr. Sonia Cowen, Interim Vice Chancellor for Academic and Student Affairs
Ms. Linda Donlin, Vice Chancellor of Strategic Planning
Dr. Lisa Feldner, Vice Chancellor for Institutional Technology and Research
Ms. Laura Glatt, Vice Chancellor Administrative Affairs
Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

Approval of Agenda
Shaft moved, Morton seconded, to approve the January 29, 2015, Board agenda.

McEwen, Reichert, Melicher, Morton, Shaft, Hjelmstad, Neset voted yes. The motion carried.
Approval of Meeting Minutes

- November 20, 2014
- December 9, 2014

Shaft moved, McEwen seconded, to approve the November 20 and December 9, 2014, meeting minutes.

Melicher, Morton, Shaft, Hjelmstad, McEwen, Reichert, and Neset voted yes. The motion carried.

Information Technology

Mr. Don Lefleur from the State Auditor’s Office and Mr. Eric Wallis from TeleCommunication Systems (TCS) presented the NDUS Information Technology Security Audit and Vulnerability Assessment to Board members. This assessment is completed every two years.

Board Chair’s Report

Dr. Hjelmstad thanked former Board Chair, Dr. Kirsten Diederich, for her extraordinary work on a new mission, vision, and strategic plan for NDUS. Dr. Hjelmstad assumed the Board Chair position from his Vice Chair position until a new Board Chair is elected.

Appointment of Committee Members

Dr. Hjelmstad appointed Dr. Kevin Melicher to the SBHE Audit Committee and the SBHE Budget and Finance Committee.

Challenge Fund Grant Program

Ms. Kathleen Neset stated 2013-2015 legislation approved the Challenge Fund Grant program. The Challenge Fund Grant matches every two dollars of private money donated to an institution with one dollar from state funds. The program is extremely beneficial and she is hopeful that current legislation continues appropriated funds for this grant.

North Dakota Student Association Report (NDSA)

Mr. Chris McEwen gave an update in the absence of NDSA President, Mr. Zachary Niebuhr. Mr. McEwen advised the Board that NDSA does support Senate Bill 2150, regarding student and student organizations disciplinary proceedings at institutions under the control of the SBHE. House Bill 1233, regarding tuition increases, was tabled for further review. House Bill 1261, regarding open resources, was supported by NDSA. House Bill 1333, regarding elections, was opposed by NDSA because of lack of a student election certificate.

Council of College Faculties (CCF) Report

Dr. Fernando Quijano introduced members of the Council of College Faculties (CCF) that were in attendance. Dr. Fernando thanked the Board for including the CCF as part of the Board meeting.

Staff Senate Report

Ms. Emma Tufte stated that elections were held for the SBHE staff advisor position. Ms. Tufte announced that she was elected and accepted the position for the SBHE Staff Senate beginning July 1, 2015. On behalf of Staff Senate, she thanked Janice Hoffarth for four years of service.
Elect Board Chair
Melicher moved, Shaft seconded, to elect Dr. Terry Hjelmstad as Board Chair through June 30, 2015.

Melicher, Morton, Reichert, Shaft, McEwen, and Neset voted yes. Hjelmstad voted no. The motion carried.

Morton moved, Shaft seconded, to elect Ms. Kathleen Neset as Vice Chair through June 30, 2015.

Shaft, Hjelmstad, McEwen, Melicher, Morton, Reichert, and Neset voted yes. The motion carried.

Roles and Responsibilities Report
Chancellor Skogen stated that the Roles and Responsibilities Task Force reviewed the major recommendations from the 2006 Task Force regarding clarifying roles and responsibilities. The following report was presented to the Board for approval:

Roles and Responsibilities Task Force Report
December 2014
(Approved by the SBHE January 29, 2015)

Overall Purpose and Charge to the 2014 Roles and Responsibilities Task Force: Review the major recommendations from the 2006 Task Force on Clarifying Roles and Responsibilities to determine which statements and resulting policies still have integrity for the University System and which ones should be revisited and possibly revised.

I. Roles and Responsibilities Task Force-2013-14
(Some members changed during this undertaking.)
  o Dr. Kirsten Diederich, State Board President, Task Force Chair
  o Mr. Don Morton, State Board Member
  o Dr. Kevin Melicher, State Board Member
  o Dr. Larry C. Skogen, Interim Chancellor
  o Dr. Dean Bresciani, North Dakota State University President
  o Dr. Robert Kelley, University of North Dakota President
  o Dr. John Richman, North Dakota State College of Science President
  o Dr. Steve Shirley, Minot State University President
  o Mr. Murray Sagsveen, Chief of Staff and NDUS Ethics Officer
  o Ms. Kristie Hetzler, Executive Assistant to the State Board

II. Fundamental Questions Regarding Areas of Confusion
The seven key areas of confusion addressed by the 2002-04 Task Force on Clarifying Roles and Responsibilities, and reviewed by the 2006 and 2014 task forces were:

1. What form of governance is intended? Is it the intent of the SBHE, the chancellor and the cabinet, in concept and in practice, to have the Board serve as:
   a. A commission/coordinating board for 11 separate institutions?
   b. A governing board of a unified system of higher education?
   c. Some other form of governance?
Conclusion: It is the intent of the SBHE, the chancellor and the cabinet to have the SBHE serve as the governing board of a unified system of higher education.

2. What is a “unified system of higher education?”

Conclusion: “A Unified system of higher education,” for purposes of the North Dakota University System, is understood to mean:

   a. The system is governed by the SBHE in accordance with the North Dakota Constitution and state statutes and is guided by the Belief Statements and Core Values adopted by the Board (SBHE Policy 100.6);
   b. The system is comprised of distinct, entrepreneurial institutions with unique missions working together to maximize their collective capacities to meet the priority needs of students and the state;
   c. The Board operates at the policy level providing strategic direction, leadership and an environment conducive to success for each institution and the system as a whole;
   d. The chancellor is the chief executive officer of the University System and is empowered by the Board to provide the leadership necessary and to act on behalf of the Board working with the institution presidents to achieve the vision, mission, and long-range goals for the University System adopted by the Board;
   e. Board members, the chancellor, presidents and their representatives or those acting under their direction have the right and the responsibility to express their views when considering an item the Board has under discussion. Once the Board takes action on an item, Board members, the chancellor, presidents and their representatives or persons acting under their direction, shall execute the Board’s position and not advocate against it.
   f. There is partnering, collaboration, and joint ventures involving the various colleges and universities within the University System aimed at achieving the vision and mission in the NDUS Strategic Plan;
   g. There is a balance between providing the necessary flexibility to the colleges and universities to be entrepreneurial and innovative while having the institutions also cooperate in meeting statewide needs and opportunities. It is the expectation of the Board, and thereby the responsibility of the chancellor, to assure the balance is developed and sustained;
   h. Support services are provided where it is more effective and efficient to perform the services collaboratively;
   i. There are incentives, rewards and processes which are consistent with the expectations for campuses colleges and universities to function within, and as part of, a unified system.
   j. It is the responsibility of all Board members, and particularly the Board president, to assure the integrity of the University System is preserved consistent with the University System’s policies and core values.

The detailed authorities and responsibilities of the SBHE, Board Chair, chancellor and institution presidents, for achieving and sustaining the unified system, are outlined in SBHE Policies, 100.6, 310.1, 304.1 and 305.1, respectively.

3. For whom do the college and university presidents work?

   a. The chancellor?
   b. The Board?
   c. Both the chancellor and Board?
Conclusion: The presidents work for the Board. However, through various policies the Board delegates authority to the chancellor for Board and system office operations and to ensure compliance with Board policies and procedures. In the execution of delegated authority, the chancellor speaks on behalf of the Board as CEO of the University System. Institutional operations remain under the authority of the presidents, as campus CEOs.

4. How do the presidents report? What is the standard or official channel of communication?
   a. Directly to the chancellor?
   b. Directly to the Board Chairs?
   c. Directly to individual Board members?
   d. Directly to the chancellor and through the chancellor to the Board?
   e. Directly to the chancellor and through the chancellor to the Board with follow-up discussions as necessary;
   f. Other or modifications of the above?

Conclusion: The most common channel of communication with the Board is through the chancellor to the Board. It is expected that presidents, or their designees, will also have conversations with the Board Chair and/or with all Board members to keep the Board apprised of major developments. If other substantive conversations occur, the college or university president and/or a Board member should brief the chancellor, preferably in advance, or as soon as possible after the event. The standard to be applied in determining the need to inform the chancellor is “professional courtesy and good faith consideration.”

5. Is the chancellor the CEO of the University System? If not, who is?

Conclusion: The chancellor is the CEO of the University System.

6. Are the existing policies adequate? Do existing Board policies regarding the SBHE, members, chancellor, and institution presidents accurately reflect the intent of the Board regarding authority, roles and responsibilities? Are changes in policies or practices needed?

Conclusion: The 2014 Task Force concludes that major revisions to policies are required to streamline operations, define delegated authorities, and eliminate conflicting requirements.

7. Is there an organizational chart for the North Dakota University System? Is there a chart that illustrates the relationships of the various entities of the system?

Conclusion: (See chart, Section-III, on following page)
III. Organizational Chart of the North Dakota University System
IV. Operational Changes

The following actions and changes are operational and included in this report to provide a more complete picture of the actions underway to address the issues raised during the Roles and Responsibilities Task Force discussions relating to improving communication while recognizing variations in size, scope and mission of the 11 institutions of higher education in North Dakota:

1. The agenda for Board meetings will allow an institution to alert the Board of developments or concerns; i.e., to provide a mechanism and a communications channel that allows presidents to keep the entire Board apprised of developments, including new directions, plans or emerging issues, important to the institution;

2. The agenda will allow time for an institution—at the request of its president—at each meeting to provide an institution-specific update to the Board on issues such as: retention and graduation rates and efforts; enrollment strategies; construction projects; needs and wants, etc.;

3. In recognition of the variations in size, scope and issues of relevance to the various colleges and universities, the chancellor will meet separately with the (a) two major research institutions, (b) five community colleges through the College Technical Education Council (CTEC), and (c) remaining four-year institutions in whatever format or process these institutions deem to be useful and effective. These meetings or conversations are in addition to the regularly scheduled Chancellor’s Cabinet meetings;

4. Any president who would like to brief the Board on an item can request to have time on the Board agenda to do so; however, items requiring Board action must be coordinated with the chancellor;

5. In an effort to make Board meetings as relevant as possible, time will be set aside to discuss major issues impacting North Dakota and/or the University System. The Board has accepted the presidents’ offer to help identify the major issues, arrange resource people or presenters and lead the discussion;

6. The chancellor will have individual meetings with the presidents. The two purposes of the meetings are to determine: (1) what the chancellor and the University System can do to assist the respective institutions in being as successful as possible, and (2) what the chancellor and system needs from the president to maximize the success of the University System in serving students and the state;

7. A special effort is underway, based on recommendations solicited from the Chancellor’s Cabinet, to make cabinet meetings as meaningful, relevant and productive as possible.

8. It is agreed that the university system staff, including directors and vice chancellors, are not in supervisory positions over institution officers. Their role is to provide advice to the chancellor, cabinet, and institutions related to programmatic and policy decisions within their respective areas; chair system-wide councils; offer a system-wide perspective on issues within their respective areas including, but not limited to, policies, programs, and related activities; ensure compliance with Board policies and procedures; oversee system-wide projects; and, perform duties and responsibilities in their job descriptions and as assigned by the chancellor.
Board member, Grant Shaft requested that it be noted that the Roles and Responsibility Report is not a Board policy. Mr. Sagsveen agreed, stating that any amendments made to policies resulting from this report will still need Board approval on an individual basis.

Morton moved, McEwen seconded, to approve Roles and Responsibilities Task Force Report.

McEwen, Melicher, Morton, Hjelmstad, Reichert, and Neset voted yes. Shaft voted no. The motion carried.

Legislative Bills
Mr. Murray Sagsveen and Ms. Laura Glatt reviewed current Legislative bills in which the Chancellor has made a recommendation on the position that the Board should take regarding each bill.

The SBHE discussed a number of the bills and the chancellor's recommendations, but focused on Senate Bill 2150, which would authorize students to have lawyer advocates at all disciplinary proceedings. Mr. McEwen explained that the North Dakota Student Association has voted to support the bill. Mr. Christopher Wilson, NDSU joined the discussion by telephone to explain the bill and answer board members' questions.

At the conclusion of the discussion of the bills, Shaft moved, Melicher seconded to accept the Chancellor's recommendations regarding pending legislation with the exception of Senate Bill 2150; Shaft, in the motion, that the SBHE not take a position on Senate Bill 2150 except to request NDUS attorneys to work closely with the bill sponsors to develop mutually acceptable bill language.

McEwen, Melicher, Morton, Shaft, Hjelmstad, Reichert, and Neset voted yes. The motion carried.

Tuition Model Plan
Ms. Glatt proposed modifications to the new tuition model. The NDUS 2015-2020 Strategic Plan calls for implementation of new model by the fall 2017. The SBHE approved a revised tuition model plan in June 2014. Upon further data analysis, additional proposed changes are recommended to minimize the financial impact to the institution and/or minimize the impact to students due to the blending of on-campus and on-line rates and, also, to incent out-of-state student recruitment to meet North Dakota workforce needs. The proposed changes are as follows:

- Permit possible retention of separate distance education fee for on-line courses. The discontinuation/phase-out of the distance education fee will be considered after the initial fall 2017 full implementation of the tuition models.
- Out-of-country tuition would be 1.75 times the resident rate, and in country would be 1.5 times the resident rate. With the requirement that the rate change not be compensated for by a significant increase for the average full-time North Dakota student.

Morton moved, Reichert seconded, to accept the proposed modifications to the new tuition model to be implemented fall 2017.

Morton, Shaft, Hjelmstad, Reichert, McEwen, Melicher, and Neset voted yes. The motion carried.

Naming of Lake Region State College (LRSC) Technical Education Center
LRSC President Dr. Darling requested approval to name the newly constructed technical education center “Bergstrom Technical Center” on behalf of the multigenerational family’s support for LRSC. The Bergstrom family made a very significant gift, pledging $460,000 for the project. For three generations, this community-minded family has played important roles in the college’s history and development.
President Darling also expressed his appreciation to many other donors that participated in the effort to raise funds for classroom technologies and to renovate older classrooms.

Melicher moved, Shaft seconded, to authorize LRSC to name the newly constructed technical education center the “Bergstrom Technical Center”.

Morton, Reichert, McEwen, Shaft, Hjelmstad, Neset, and Melicher voted yes. The motion carried.

**University of North Dakota (UND) Agreement for Joint Exercise of Peace Officer Duties**

Mr. Murray Sagsveen explained UND’s request is to permit University of North Dakota’s Police Department’s (UPD) to participate in joint law enforcement exercises in the state of Minnesota to enter into an agreement for the Joint Exercise of Peace Officer Duties. The purpose of this agreement is to grant the authority and set forth the conditions under which the participating criminal justice agencies may exchange or provide peace officers for the purpose of conducting or assisting in law enforcement and emergency response operations.

McEwen moved, Neset seconded, to authorize UND’s request to enter into an agreement for the Joint Exercise of Peace Officer Duties.

Reichert, McEwen, Shaft, Hjelmstad, Neset, Melicher, and Morton, voted yes. The motion carried.

**SBHE Audit Committee**

Ms. Neset, SBHE Audit Committee chair, stated the committee discussed the hiring process of a new NDUS Chief Auditor. The committee recommends that the search committee for a new Chief Auditor will be the SBHE Audit Committee. The committee also recommended delaying the search until legislation has concluded. Legislation is considering a bill that would directly impact the NDUS auditors and their reporting structure.

Neset moved, Morton seconded, to approve the SBHE Audit committee as the search committee for a Chief Auditor, however, delaying the search for a NDUS Chief Auditor until the conclusion of legislation.

Reichert, McEwen, Shaft, Hjelmstad, Neset, Melicher, and Morton, voted yes. The motion carried.

**SBHE Academic and Student Affairs Committee**

Ms. Reichert, SBHE Academic and Student Affairs Committee chair, stated that the NDUS office maintains an inventory of accreditations of the academic programs of study offered by its eleven institutions. NDUS Procedure 420 requires that this inventory be updated in January and July each year. Ms. Reichert stated that the committee also recommends a change to the procedure stating the accreditation report only needs to be completed once a year.

Reichert moved, McEwen seconded, to approve the 2014 Accreditation Report and to approve NDUS to complete the accreditation report once a year, rather than twice a year.

Reichert, McEwen, Shaft, Hjelmstad, Neset, Melicher, and Morton, voted yes. The motion carried.
Ms. Glatt said the budget and finance items have been recommended for approval by the SBHE Budget and Finance Committee and recommended Board approval.

Shaft moved, Neset seconded, to approve the recommendation of the SBHE Budget and Finance Committee, for approval of the following items:

- Authorize WSC to seek 15-17 state general fund appropriation of $1,200,000; and, increase spending for the Workforce Training project from $8,238,267 to $9,438,267 funded from $1,700,000 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, $2,207,000 in private fundraising, $393,000 in approved state 13-15 Challenge funds, and $888,267 in local funds generated from training activities and to proceed with the project contingent upon receipt or guarantee of all funds;
- BSC requests authorization to refinance housing/auxiliary revenue bonds;
  a) Authorize issuance of not-to-exceed $4,000,000 State Board of Higher Education of the State of North Dakota, BSC Housing and Auxiliary Facilities Revenue Refunding Bonds, Series 2015, for the purpose of refinancing the outstanding BSC Housing and Auxiliary Facilities Revenue Bonds, Series 2005, maturing on and after May 1, 2016, and paying the costs of issuance of the Series 2015;
  b) Authorize the BSC President and/or Interim Executive Vice President to approve the sale of the bonds provided that the rate not exceed 4%, provided the present value of the debt service savings is not less than 2%. The approximate final date upon which the principal amount of the obligation will mature or become payable is May 2030;
  c) Appoint the firm of Arntson Stewart Wegner PC as the bond counsel and Public Financial Management, Inc. as the financial advisor;
- Authorize an inter-funding borrowing, and related planned fund deficit, of $500,000 for the purchase and installation of an electronic scoreboard for the MiSU Dome;
- Authorize funding source change for the construction by Valley City Parks and Recreation of a Health, Wellness and Physical Education Building, located on the VCSU campus from $15 million in private and $1 million in State Challenge Grant (up) to $13 million private, $1 million State Challenge Grant and $2 million student fee revenues; seek appropriate legislative authorization; and, further authorize an increase in the Fitness Facility fee from $0.42 per credit hour up to $12 per credit hour by no later than Fall 2017.

Shaft, Hjelmstad, Neset, Melicher, Reichert, McEwen, and Morton, voted yes. The motion carried.

Other Consent Items
Ms. Glatt presented other budget and finance requests, stating that the items are standard items and recommends approval to the Board.

Shaft moved, Morton seconded, to approve the following facility and budget items:

- Authorize UND to proceed with various classroom and laboratory upgrade projects for the College of Engineering and Mines (CEM) at an estimated cost of $1,375,000 to be funded from local funds;
- Authorize DSU to proceed with replacement of the waste water risers in Pulver Hall at an estimated cost of $566,195 to be paid from local auxiliary funds;
• Authorize NDSU to proceed with the Music Building South Entry Renovation project at an estimated cost of $350,000 funded from appropriated operations funding.

Melicher, Reichert, Shaft, Hjelmstad, Neset, McEwen, and Morton, voted yes. The motion carried.

**Board Policy**
Mr. Murray Sagsveen explained that the SBHE is currently not involved in the sale, removal, alteration, or demolition of a building that may have historical significance. The proposed amendment to Policy 903 would provide an opportunity for the SBHE to participate in the process if it chooses to do so.

Shaft moved, Neset seconded, to approve the first reading of the proposed amendment to SBHE Policy 903.

Hjelmstad motioned to adjourn.

Adjourned at 5:05 p.m. CT.
1. **Issue:** The NDUS 2015-2020 Strategic Plan calls for implementation of a new tuition model by Fall 2017. Due to the current uncertainty of who will control tuition setting authority, and the timing of corresponding approval of new model rates, it is proposed that the final deadline date for implementation be delayed until Fall 2018. Campuses would still have the authority to begin implementation as soon as Fall 2015, as desired, and to phase in implementation over a period of years.

2. **Proposed motion:** Approve delay to deadline date for final implementation of new tuition model from Fall 2017 to Fall 2018. Further, campuses retain authority to begin implementation in Fall 2015, as desired, following approval by SBHE of new tuition rates.

3. **Background:** The SBHE approved a revised tuition model plan in January 2014. That plan calls for implementation of the new model to begin as soon as Fall 2015 and be completed by not later than Fall 2017. However, given the current legislative uncertainty about who will retain tuition setting authority, the SBHE would not be able to consider new tuition model rates until following the adjournment of the legislature or at the earliest in May 2015. It would be extremely difficult to properly inform students and make the needed administrative changes to support major tuition model changes between May and August, the start of the Fall 2015 term.

4. **Financial implications:** The new model will have financial implications for the institution and/or certain students, which will be better defined as more detailed proposals are developed over the next few months.

5. **Academic implications:** Potential revenue changes may impact programs or student choice of programs or courses.

6. **Legal/policy issues:** Several SBHE policies will require updating once the details of the new model(s) are better defined.

7. **Review Process:** Glatt

8. **Enclosures:** None

9. **Contact person:** Laura Glatt, VC For Administrative Affairs, 701-328-4416, laura.glatt@ndus.edu

10. **Chancellor’s Recommendation:** Approve
1. **Issue:** Search for next president of Dickinson State University.

2. **Proposed motions:**

   a. Motion to authorize Interim Chancellor Skogen to hire a consultant to assist with the search for the next president of Dickinson State University.

   b. Motion to appoint ____________ to chair the search committee for the next president of Dickinson State University.

3. **Background:** On February 13, Dr. D. C. Coston, president of DSU, notified Interim Chancellor Skogen that he planned to retire. They then negotiated an early retirement agreement that provides Dr. Coston will remain president of DSU until the next president officially takes office, when Dr. Coston will be paid a lump sum amount for his salary through March 31, 2016. The proposed motions would begin the process to select the next president of DSU.

4. **Financial implications:** The estimated cost of the search, including consultant fees and search committee expenses will be $80,000 - $100,000.

5. **Academic implications:** The next president will be DSU’s chief executive officer.

6. **Legal/policy issues:** The search process is governed by SBHE Policy 601.1. The initial paragraphs of the policy provide:

   - The Board is responsible for appointment of institution presidents within the NDUS. Selection of a president is final only upon Board action.
   - The chancellor is responsible for overseeing the presidential search process in accordance with this policy and corresponding NDUS procedures.
   - Upon indication the position of an institution president will be vacant, the chancellor shall appoint a search committee to conduct a search for a new president. The Board may also retain the services of a consultant to assist the search committee in its work.

7. **Review Process:** Chancellor’s senior staff.

8. **Enclosures:** None.

9. **Key contact person(s) concerning issue:** Interim Chancellor Skogen.

10. **Chancellor’s Recommendation:** Recommend approval.
1. **Issue:** Change name of UND's Wilkerson Hall to “Wilkerson Commons.”

2. **Proposed motion:** Motion to authorize the president of University of North Dakota to change the name of Wilkerson Hall to “Wilkerson Commons.”

3. **Background:** The Wilkerson Building Committee is requesting approval to officially change the name of Wilkerson Hall to Wilkerson Commons. The committee fully supports the change and feels “commons” more clearly identifies the building with its purpose and function, as a central gathering space with a large dining area used by the entire community. By changing the name to Wilkerson Commons, the historical value of the original name of the building is retained along with J.W. Wilkerson still being recognized and honored for his contributions to the University. UND has forwarded the request to the SBHE for its approval.

4. **Financial implications:** There may be minor expenses for updated signage.

5. **Academic implications:** No significant academic implications.

6. **Legal/policy issues:** SBHE Policy 902.12 states, in part:

   The Board has final authority to name campus buildings, building additions, auditoriums and stadiums. Authority to name individual classrooms or lecture halls, meeting rooms, dining areas, athletic fields (including fields with minimal improvements such as bleachers, concessions areas and locker rooms) and other areas within buildings or other facilities is delegated to the institutions. All requests requiring Board approval shall be submitted to the Chancellor and forwarded to the Board with the Chancellor's recommendation.

7. **Review Process:**
   - Wilkerson Building Committee
   - Dr. Lori Reesor, UND Vice President for Student Affairs

8. **Enclosures:** None

9. **Key contact person(s) concerning issue:** Dr. Lori Reesor, UND Vice President for Student Affairs

10. **Chancellor’s Recommendation:** Recommend approval.
1. **Issue:** Authorize DSU to acquire three student housing units from DSU Foundation.

2. **Proposed motions:**
   a. Motion to authorize Chancellor Skogen to seek an amendment to House Bill 1139 or House Bill 1003 to authorize Dickinson State University to issue revenue bonds to acquire three properties for student housing (i.e., Bosch Apartments, Altringer Apartment Building, and Miller Apartment Building);
   b. If House Bill 1139 or House Bill 1003 is appropriately amended and enacted, motion to authorize DSU to acquire the three properties for student housing; and
   c. Authorize the Chancellor to take any other appropriate action to facilitate the acquisition of the three properties by DSU.

3. **Background:** The Dickinson State University Foundation (DSUF) has encountered financial challenges, which prompted Chancellor Skogen to request Attorney General Stenehjem to seek court appointment of a receiver (see Sagsveen affidavit). Attorney General Stenehjem promptly responded, and the state district court appointed Sean Smith as a receiver through June 30, 2015 (see court order).

   The parties (Receiver Sean Smith and representatives of DSU, DSUF, and Chancellor Skogen) have met several times in an effort to resolve past differences between DSU and DSUF, to resume DSUF payments for DSU student scholarships, and to stabilize DSUF’s cash flow situation. Those discussions have been professional and productive.

   The discussions have resulted in a plan that should benefit both DSU and DSUF. The key concepts of the plan are:
   - DSU agree to purchase three student housing properties from DSUF
   - DSUF attempt to sell two properties (Blue Hawk Square and Hawk’s Point)
   - Chancellor propose an amendment to House Bill 1139 or House Bill 1003 to authorize revenue bonds for renovations to Woods Hall and for funds to acquire the three student housing properties
   - If House Bill 1139 is amended and enacted with an emergency clause (see proposed amendments), DSU would promptly sign the purchase agreement and as soon as possible (i.e., in about six weeks) issue revenue bonds
   - Upon the availability of funding from the revenue bonds, complete the acquisition of the three student housing units.

House Bill 1003 is the NDUS appropriation bill and House Bill 1139 is a bill to authorize the issuance of revenue bonds to fund renovations to Woods Hall.
4. **Financial implications:** Mark Lowe, DSU VP for Finance and Administration, has determined that DSU could acquire the three student housing properties, rent the apartments to students at affordable rental rates, and maintain a positive cash flow.

In order to promptly obtain the necessary funding through revenue bonds, DSU would need SBHE approval to proceed and would need the enactment of an amended House Bill 1139 with an emergency clause.

If House Bill 1139 could not be amended and enacted, a second vehicle could be House Bill 1003, the NDUS appropriations bill.

5. **Academic implications:** DSU would acquire 40 apartments in three properties for additional student housing.

6. **Legal/policy issues:** DSU must obtain legislative approval to issue revenue bonds to acquire the three student housing properties in accordance with N.D.C.C. 54-27-12.

7. **Review Process:**
   - Dr. D.C. Coston, President, DSU
   - Mark Lowe, DSU VP for Finance and Administration
   - Murray G. Sagsveen, NDUS Chief of Staff
   - Sean Smith, DSUF Receiver

8. **Enclosures and references:** None

9. **Key contact person(s) concerning issue:**
   - Murray Sagsveen, NDUS Chief of Staff
   - Mark Lowe, DSU VP for Finance and Administration

10. **Chancellor’s Recommendation:** Recommend approval
Summary of Proposed Action
ND State Board of Higher Education
Meeting – 26 February 2015

1. **Issue:** North Dakota State College of Science (NDSCS) has submitted a Stage II request to offer a Certificate (C) in *Dialysis Technician*, using CIP Code 51.1011, effective Spring 2015.

2. **Proposed actions:** Approve the Stage II request of North Dakota State College of Science (NDSCS) to offer a Certificate (C) in *Dialysis Technician*, using CIP Code 51.1011, effective Spring 2015.

3. **Background information:** The program is designed to meet the needs of employers in the Fargo/West Fargo metropolitan area and other regions of North Dakota. The program will be aligned with other Allied Health programs at NDSCS. NDSCS indicates that students and employers are anxious for this program to be initiated as soon as possible.

4. **Financial implications:** The program will be self-supporting.

5. **Legal/policy issues:** State Board of Higher Education (SBHE) Policy 403.1 *Program Approval* states:
   “Board approval is required for all new programs of study that designate a focused collection of instructional/learning activities the completion of which signifies a level of competence which the awarding institution so designates by a notation on the front of the student transcript”

6. **Academic issues:** No academic issues were raised at the 6 January 2015 Academic Affairs Council (AAC) meeting.

7. **Coordination:** On 6 January 2015, the AAC voted unanimously to recommend that the Stage II request be reviewed by the Chancellor’s Cabinet and advanced to the SBHE Committee on Academic and Student Affairs/SBHE for approval.

8. **Attachments:** The Stage II request is attached.

9. **Contact information:** Sonia S. Cowen, Ph.D., Interim Vice Chancellor for Academic and Student Affairs, NDUS. Ph: 701-328-2965 / email: sonia.cowen@ndus.edu.

10. **Chancellor’s recommendation:** The Chancellor’s Cabinet recommended approval of this request on 11 February 2015.
11. **SBHE Committee on Academic and Student Affairs recommendation:** The SBHE Committee on Academic and Student Affairs moved to approve forwarding this request on 12 February 2015 to the SBHE for action.
1. **Issue:** Valley City State University (VCSU) has submitted a Stage II request to offer a Bachelor of Arts (B.A.) and Bachelor of Science (B.S.) in *Environmental Science*, using CIP Code 03.0104, effective Fall 2015.

2. **Proposed actions:** Approve the Stage II request of Valley City State University (VCSU) to offer a Bachelor of Arts (B.A.) and Bachelor of Science (B.S.) in *Environmental Science*, using CIP Code 03.0104, effective Fall 2015.

3. **Background information:** VCSU already teaches the majority of the courses needed to support the program. The program will make use of existing faculty expertise and the Prairie Waters Research Center. North Dakota currently has many available jobs for individuals with this degree, and a 15% increase in environmental science jobs is predicted for the next eight years.

4. **Financial implications:** The program will be self-supporting.

5. **Legal/policy issues:** State Board of Higher Education (SBHE) Policy 403.1 *Program Approval* states: “Board approval is required for all new programs of study that designate a focused collection of instructional/learning activities the completion of which signifies a level of competence which the awarding institution so designates by a notation on the front of the student transcript”

6. **Academic issues:** No academic issues were raised at the 6 January 2015 Academic Affairs Council (AAC) meeting.

7. **Coordination:** On 6 January 2015, the AAC voted unanimously to recommend that the Stage II request be reviewed by the Chancellor’s Cabinet and advanced to the SBHE Committee on Academic and Student Affairs/SBHE for approval.

8. **Attachments:** The Stage II request is attached.

9. **Contact information:** Sonia S. Cowen, Ph.D., Interim Vice Chancellor for Academic and Student Affairs, NDUS. Ph: 701-328-2965 / email: sonia.cowen@ndus.edu.

10. **Chancellor’s recommendation:** The Chancellor’s Cabinet recommended approval of this request on 11 February 2015.
11. **SBHE Committee on Academic and Student Affairs recommendation:** The SBHE Committee on Academic and Student Affairs moved to approve forwarding this request on 12 February 2015 to the SBHE for action.
1. **Issue:** The University of North Dakota (UND) has submitted a Stage II request to rename the Department of Geography as the *Department of Geography and Geographic Information Science,* effective Fall 2015.

2. **Proposed actions:** Approve the Stage II request of The University of North Dakota (UND) to rename the Department of Geography as the *Department of Geography and Geographic Information Science,* effective Fall 2015.

3. **Background information:** The new name more accurately expresses the learning outcomes of the programs within the Department and better represents the skills that are expected of the department’s graduates by employers. The majority of Geography majors now find work in the Geographic Information Science (GIS) industry.

4. **Financial implications:** Not applicable.

5. **Legal/policy issues:** State Board of Higher Education (SBHE) Policy 307.1 *Institutional Organization Notice and Approval* states:

   “Board approval is required to create, discontinue or name a school, college, center or institute. Institutions shall submit such requests, along with rationale and supporting information, to the Chancellor and the Chancellor shall forward the proposal to the Board with a recommendation.”

6. **Academic issues:** No academic issues were raised at the 2 December 2014 Academic Affairs Council (AAC) meeting.

7. **Coordination:** On 2 December 2014, the AAC voted unanimously to recommend that the Stage II request be reviewed by the Chancellor’s Cabinet and advanced to the SBHE Committee on Academic and Student Affairs/SBHE for approval.

8. **Attachments:** The Stage II request is attached.

9. **Contact information:** Sonia S. Cowen, Ph.D., Interim Vice Chancellor for Academic and Student Affairs, NDUS. Ph: 701-328-2965 / email: sonia.cowen@ndus.edu.

10. **Chancellor’s recommendation:** Reviewed by the Chancellor’s Cabinet and approved by the Chancellor on 14 January 2015.

11. **SBHE Committee on Academic and Student Affairs recommendation:** The SBHE Committee on Academic and Student Affairs moved to approve forwarding this request on 12 February 2015 to the SBHE for action.
1. **Issue:** Valley City State University (VCSU) has submitted a Stage II request to establish the *Don Mugan Career and Technical Educational Leadership Center (DMCTELC)*, effective Summer 2015.

2. **Proposed actions:** Approve the Stage II request of Valley City State University (VCSU) to establish the *Don Mugan Career and Technical Educational Leadership Center (DMCTELC)*, effective Summer 2015.

3. **Background information:** VCSU currently provides faculty development and training activities for Career and Technical Education for schools throughout North Dakota. These activities are administered by the Department of Technology, which will house the Center. The creation of the Center will emphasize VCSU’s success in this area and will allow participation in a variety of grant programs. The Center will have an advisory committee drawn for career and technical education representatives from across the State. The Center will be named after Dr. Don Mugan, VCSU professor emeritus.

4. **Financial implications:** No new state-appropriated dollars are requested. The Center will be self-supporting.

5. **Legal/policy issues:** State Board of Higher Education (SBHE) Policy 307.1 *Institutional Organization Notice and Approval* states:
   “1. Board approval is required to create, discontinue or name a school, college, center or institute. Institutions shall submit such requests, along with rationale and supporting information, to the Chancellor and the Chancellor shall forward the proposal to the Board with a recommendation.”
   “2. As used in this policy, ‘center or institute’ means a unit that has as a primary function or activity academic instruction, research, or service beyond the immediate campus community. The terms do not include space designations, or units that simply have the word ‘center’ in their title, or units that provide non-academic services, such as dining centers.”

6. **Academic issues:** No academic issues were raised at the 6 January 2015 Academic Affairs Council (AAC) meeting.

7. **Coordination:** On 6 January 2015, the AAC voted unanimously to recommend that the Stage II request be reviewed by the Chancellor’s Cabinet and advanced to the SBHE Committee on Academic and Student Affairs/SBHE for approval.

8. **Attachments:** The Stage II request is attached.
9. **Contact information:** Sonia S. Cowen, Ph.D., Interim Vice Chancellor for Academic and Student Affairs, NDUS. Ph: 701-328-2965 / email: sonia.cowen@ndus.edu.

10. **Chancellor’s recommendation:** The Chancellor’s Cabinet recommended approval of this request on 11 February 2015.

11. **SBHE Committee on Academic and Student Affairs recommendation:** The SBHE Committee on Academic and Student Affairs moved to approve forwarding this request on 12 February 2015 to the SBHE for action.
1. **Issue:** NDSU Dickinson Research Center (DREC) seeks approval to proceed with sale of 30 acres of land or a portion of the December 2014 SBHE previously approved sale of total 240 acres. Additional authorization is now required as specific information regarding sale value of the 30 acres is now available. Legislation is pending to approve the transaction.

2. **Proposed motion:** Authorize NDSU Dickinson Research Center (DREC) to enter into a purchase agreement with the Dickinson Public School District for the sale of 30 acres of DREC land in the amount of $1,350,000, contingent upon passage of SB 2159.

3. **Background:** Previous authorization in December has initiated the process of acquiring legislative approval and allowed NDSU DREC to begin sale negotiations. Further authorization by the SBHE will be required as additional transactions are ready for consideration on the remaining 210 acres.

4. **Financial implications:** Proceeds from this initial sale of land will be held in reserve until such time as total sale proceeds are sufficient for purchase and improvements of the 1,680 acres of Boehm estate land which is intended to replace the 240 acres of current DREC land to be sold.

5. **Academic implications:** No implications

6. **Legal/policy issues:** Reviewed by Chris Wilson. Additional legal review of the title transfer and other legal documents must be undertaken as a part of the transfer of property.

7. **Review Process:** Reviewed by Glatt, Tonder.

8. **Enclosures:** Agenda Item

9. **Contact person:** Kris Ringwall, DREC 701-456-1103 or kris.ringwall@ndsu.edu

10. **Chancellor’s Recommendation:** Approve
1. **Issue:** NDSU requests authorization to continue with resident hall bathroom renovations which create modern, semi-private facilities along with replacement of aging plumbing and mechanical systems.

2. **Proposed motion:** Authorize NDSU to proceed with the low rise lavatories renovation project in Reed Hall (one stack), Phase IV at an estimated cost of $1,400,000 to be funded from auxiliary local funds.

3. **Background:** Dinan, Stockbridge, and Reed resident halls were constructed with “gang” style bathrooms typical to that age of facility. The multi-phase project was identified in the 2012 NDSU master plan as a priority to remove deferred maintenance as well as modernize the existing buildings.

4. **Financial implications:** Estimated cost of $1,400,000 to be funded from Auxiliary local funds, which are sufficient and available for the project, and include no unrestricted gift funds.

5. **Academic implications:** None.

6. **Legal/policy issues:** None.

7. **Review Process:** Reviewed by Glatt, Tonder.

8. **Enclosures:** Agenda item

9. **Contact person:** Bruce Bollinger, VP Finance and Administration 701-231-8412

10. **Chancellor’s Recommendation:** Approve
1. **Issue:** NDSU requests authorization to demolish Thordarson Hall due to its poor condition and costs for repairs exceeding that of replacement. Once removed, the T lot will be expanded in its place.

2. **Proposed motion:** Authorize NDSU to proceed with the demolition of Thordarson Hall and Expansion of T Lot at an estimated cost of $540,000 to be funded from appropriated operating funds ($265,000) and Parking local funds ($275,000). Authorize the transfer of $265,000 from the 2013-15 operations to capital assets line as per SB2003 (2013), section 35.

3. **Background:** Thordarson Hall was constructed to house the North Dakota Center for Distance Education (formerly the Division of Supervised Study) in 1961. The space was turned over to NDSU in 2014 after the NDCDE relocated to new space. It was subsequently evaluated by a design professional for necessary repairs, resulting in a recommendation to remove vs. repair the facility due to condition. The T parking lot would be expanded from the current 657 spaces to 722 spaces, an increase of 65 spaces.

4. **Financial implications:** NDSU has requested transfer of operating funds to accomplish the demolition component. Parking auxiliary funds will be used to construct the paving.

5. **Academic implications:** None

6. **Legal/policy issues:** NDSU will comply with notification policies for demolition.

7. **Review Process:** Reviewed by Glatt, Tonder.

8. **Enclosures:** Agenda item

9. **Contact person:** Bruce Bollinger, VP Finance and Administration 701-231-8412

10. **Chancellor’s Recommendation:** Approve
Summary of Proposed Action
SBHE Meeting – February 26, 2015

1. Issue: NDSU requests authorization to construct an additional 61 unit parking spaces, close to the Memorial Union (MU), on land which will become available through the demolition of the CI Nelson Building.

2. Proposed motion: Authorize NDSU to proceed with the expansion of MU Lot at an estimated cost of $600,000 to be funded from Parking local funds.

3. Background: The MU lot was expanded by 55 spaces in 2012, the maximum amount possible based on available land. The CI Nelson Building is adjacent to this parking lot, and will be demolished as part of the STEM project. Removal and subsequent construction of additional spaces, on the vacated CI Nelson Bldg. space, will provide needed additional parking spaces.

4. Financial implications: Estimated cost of $600,000 to be funded from Parking local funds, which are sufficient and available for the project, and include no unrestricted gift funds.

5. Academic implications: None.

6. Legal/policy issues: NDSU will follow policy requirements for building removal.


8. Enclosures: Agenda item

9. Contact person: Bruce Bollinger, VP Finance and Administration 701-231-8412

10. Chancellor’s Recommendation: Approve
1. **Issue:** Proposed amendment to SBHE Policy 903 (Sale or Removal of Buildings).

2. **Proposed motion:** Motion to amend SBHE Policy 903 as provided on the enclosed draft.

3. **Background:** Currently, the SBHE is not involved in the sale, removal, alteration, or demolition of a building that may have historical significance. The proposed amendment to Policy 903 would provide an opportunity for the SBHE to participate in the process if it chooses to do so.

4. **Financial implications:** The proposed policy amendment, if adopted, could somewhat lengthen the time involved to sell, remove, alter, or demolish a building.

5. **Academic implications:** Not applicable.

6. **Legal/policy issues:** The governing statute for coordinating with the State Historical Society is enclosed.

7. **Review Process:**
   - Grant Shaft, SBHE
   - Vice Chancellor Laura Glatt
   - Rick Tonder, Director of Facilities Planning
   - Cynthia Goulet, Assistant General Counsel, NDUS
   - Murray G. Sagsveen, Chief of Staff, NDUS

8. **Enclosures:** Policy 903 showing proposed amendments.

9. **Key contact person(s) concerning issue:** Rick Tonder, Director of Facilities Planning

10. **Chancellor’s Recommendation:** Recommend approval.