North Dakota State Board of Higher Education
Notice and Agenda
November 16, 2016

The State Board of Higher Education will meet on Wednesday, November 16th, at 8:30 a.m. CT, Bismarck State College, National Energy Center of Excellence, 1200 Schafer Street, Room 335. The live video stream can be viewed at: http://www.ndus.edu/board/live-stream/.

Call to Order

# Action required    * See supporting document    + Discussion needed    = Information only

1. *# Agenda

2. *# Executive Session
Move to enter Executive Session to (1) consider the reappointment of and any new contract terms for NDSU President Dean Bresciani and (2) limit the executive session to voting board members, nonvoting advisors, Chancellor, Chancellor’s Senior Staff, and board counsel.

The legal authority for closing this portion of the meeting is North Dakota Century Code section 15-10-17(1)(a).

Reconvene to take action regarding the reappointment of and any new contract terms for NDSU President Dean Bresciani.

Board Policy

3. *# 1st Reading, Policy 608.2 – NDUS Employees – Non-renewal and Dismissals – Richard Rothaus
4. *# 1st Reading, Policy 611.10 – Employee Responsibility and Activities: Theft, Fraud, Abuse and Waste – Karol Riedman
5. *# 2nd Reading, Policy HR 24 – Reduction in Force – Jane Grinde
6. *# 2nd Reading, Policy 506.1 – Immunizations – Richard Rothaus
7. *# 2nd Reading, Policy 508.1 – STEM Loan – Tammy Dolan

System Reports

8. = Faculty Sick Leave
SBHE Budget, Finance, and Facilities Committee Consent: – Greg Stemen

9. * # Authorize NDSU to proceed with Various Sundry Projects to be funded from the remaining $3.5 million one-time 2015-17 deferred maintenance funding included in HB1003, Section 2. One-Time Funding N Effect on Base Budget – Report to Sixty-Fifth Legislative Assembly. Also, authorize the use of excess funds previously transferred from the 2015-17 NDUS Office deferred maintenance pool to NDSU’s capital assets line item as per HB1003 (2015), Section 25. System-wide Funding Pools – Transfer Authority – Legislative Management Report as a result of project savings for completion of the additional sundry maintenance projects.

10. * # Authorize NDSU to proceed with the Dolve Hall partial renovation and HVAC update project at an estimated cost of $870,000 funded from the 2015-17 extra-ordinary repair funds.

SBHE Academic and Student Affairs Committee Recommendations – Don Morton

Stage II-New Program(s):

11. * # Mayville State University is dedicated to excellence in teaching, service, and scholarship in dynamic, inclusive and supportive learning environments that are individually focused. We offer quality undergraduate and master’s programs enriched with practical experiences to prepare all learners for a global economy.

NDSCS Capital Project

12. * # Approve NDSCS to begin fund raising on expansion of NDSCS to Cass county.

Assessment of Meeting and Potential Future Agenda Items

Public Comment

Future Board Meeting: December 14, 2016 – via Conference Call

Contact Kristie Hetzler (701) 328-2966 or Kristie.hetzler@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
Summary of Proposed Action
SBHE Meeting - November 16, 2016

1. **Issue:** The State Board of Higher Education has requested that a policy be established to regulate the salary of tenured faculty who become administrators and then return to the faculty. A clause was added to *Policy 608.2 NDUS Employees – Non-renewal and Dismissals.* The policy revision requires that administrators returning to the faculty be placed at a salary proportional to that of similarly ranked individuals. The policy additionally recommends that the salary upon return to faculty be set in contract at the time a person moves into an administrative position.

2. **Proposed actions:** Approve the revisions to *Policy 608.2 NDUS Employees – Non-renewal and Dismissals.*

3. **Background information:** Concern has been expressed in the past that in some cases administrators returning to the faculty retained their administrative salaries.

4. **Financial implications:** The policy will ensure cost-savings by limiting the use of administrative-level salaries.

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

6. **Academic issues:** None.

7. **Coordination:** The policy was reviewed and approved by the Academic Affairs Council and the President’s Cabinet.

8. **Attachments:** *Policy 608.2 NDUS Employees – Non-renewal and Dismissals.*

9. **Contact information:** Dr. Richard M. Rothaus, Vice Chancellor of Academic and Student Affairs, 701-328-4136, richard.rothaus@ndus.edu

10. **Chancellor’s recommendation:** Approval.
Summary of Proposed Action
State Board of Higher Education Meeting
November 16, 2016

1. Issue: Proposed minor changes to SBHE policy 611.10 – Employee Responsibility and Activities: Theft, Fraud, Abuse and Waste

2. Proposed actions: Approve changes to SBHE policy 611.10 – Employee Responsibility and Activities: Theft, Fraud, Abuse and Waste

3. Background information: In paragraphs #3 and #6, the policy refers to the NDUS Chief Auditor. This position no longer exists; the appropriate position is now NDUS Compliance Officer.

The proposed change would replace the words “Chief Auditor” with the words “Compliance Officer” in paragraphs #3 and #6.

4. Financial implications: None

5. Legal/policy issues: None

6. Academic issues: None

7. Coordination: None

8. Attachments: Revised policy 611.10

9. Contact information: Lisa Feldner, Chief of Staff, lisa.feldner@ndus.edu, 328-1510, or Karol Riedman, NDUS Compliance Officer, karol.riedman@ndus.edu, 328-4150

10. Chancellor's recommendation: Chancellor recommends approval
1. **Issue:** Currently NDUS Policy 24 Reduction in Force includes a notification process whereas the Human Resource Council (HRC) retains a list of employees who were terminated under a reduction in force (RIF). Such list would be better managed by each campus HR department.

2. **Proposed motion:** Change language in NDUS Policy 24 to place responsibility on each institution to retain a list of employees who were terminated under a reduction in force and approve added language in section 8 clarifying eligible services for re-hires.

3. **Background:** The HRC would like to align NDUS Policy 24 with the state policy which indicates that each state agency shall retain a list of terminated employees under a RIF and treat as an internal applicant. It makes more sense from a location standpoint for each institution to retain their own list since NDUS campuses are widespread across the state.

Additionally, a statement was added clarifying that terminated employees under a RIF who are re-hired would no longer receive services as defined in NDUS 24 section 8.

4. **Financial implications:** none

5. **Academic implications:** none

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

7. **Review Process:**
   - Reviewed by HRC on September 15, 2016
   - Reviewed by Administrative Affairs on October 4, 2016
   - Reviewed by Cabinet on October 12, 2016
   - Reviewed by SBHE on October 27, 2016

8. **Enclosures:** NDUS Policy 24 Reduction in Force.

9. **Contact person:**
   - Lisa Feldner, Chief of Staff, Lisa.Feldner@ndus.edu
   - Jane Grinde, NDUS HRC representative Jane.Grinde@ndus.edu

10. **Chancellor’s Recommendation:** Chancellor recommends approval.
1. **Issue:** Submission of minor edits to the SBHE immunization policy. (Appropriate edits have also been submitted for corresponding NDUS procedure regarding the same topic.)

2. **Proposed actions:** Approve the proposed edits to SBHE Policy 506.1 – Immunizations.

3. **Background information:** Recommended edits were largely made in consultation with a representative work group of student health professionals. Edits were made to enhance clarity and accuracy of details surrounding medical practice.

4. **Financial implications:** None cited.

5. **Legal/policy issues:** None cited.

6. **Academic issues:** No significant academic issues were raised upon first read by members of the Academic Affairs Council or Student Affairs Council on 20 July 2016. The proposed edits were recommended for approval upon second read by members of the Student Affairs Council on 6 October 2016.

7. **Coordination:** Proposed edits were coordinated with substantial assistance from representatives from campus Student Health offices and their consultation with the state health department when appropriate.

8. **Attachments:** Proposed edits are attached.

9. **Contact information:** Richard M. Rothaus, Ph.D., Interim Vice Chancellor for Academic and Student Affairs, NDUS. Ph: 701-328-4136/email: richard.rothaus@ndus.edu.

10. **Chancellor’s recommendation:** Approve
1. **Issue**: Proposed changes to SBHE policy 508.1 – STEM Occupations Student Loan Program – Teacher Shortage Loan Forgiveness Program

2. **Proposed actions**: Approve changes to [SBHE policy 508.1 – STEM Occupations Student Loan Program – Teacher Shortage Loan Forgiveness Program](#)

3. **Background information**: The NDUS administers student loan forgiveness programs for both STEM occupations and teacher shortage area in accordance with North Dakota Century Code Sections 15-10-37 and 115-10-38, respectively.

   The proposed changes are remove unnecessary language that is duplicated within the related procedures.

4. **Financial implications**: None

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

6. **Academic issues**: None

7. **Coordination**: Chancellor’s Cabinet (10/12/2016), Budget Finance Committee (10/20/2016).

8. **Attachments**: Revised policy 508.1

9. **Contact information**: Tammy Dolan, Chief Financial Officer, tammy.dolan@ndus.edu, 328-4116

10. **Chancellor’s recommendation**: Chancellor recommends approval
1. **Issue:** NDSU wishes to use the uncommitted funds left over from the deferred maintenance pool funding requests for a number of sundry deferred maintenance projects which qualify for their use.

2. **Proposed motion:** Authorize NDSU to proceed with [Various Sundry Projects](#) to be funded from the remaining $3.5 million one-time 2015-17 deferred maintenance funding included in HB1003, Section 2. One-Time Funding – Effect on Base Budget – Report to Sixty-Fifth Legislative Assembly. Also, authorize the use of excess funds previously transferred from the 2015-17 NDUS Office deferred maintenance pool to NDSU’s capital assets line item as per HB1003 (2015), Section 25. Systemwide Funding Pools – Transfer Authority – Legislative Management Report as a result of project savings for completion of the additional sundry maintenance projects.

3. **Background:** NDSU requested and received deferred maintenance pool funding based on cost estimates for each project. Several projects were completed for less than the original cost estimate, and therefore are available for additional deferred maintenance work.

4. **Financial implications:** The deferred maintenance pool funding must be used for projects included in the institution master plans/space utilization studies. NDSU has identified the sundry projects in its 2016 master plan and therefore qualify for use.

5. **Academic implications:** None

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

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

8. **Enclosures:** (agenda item and related material)

9. **Contact person:** Bruce Bollinger, VP for Finance and Administration

10. **Chancellor’s Recommendation:** The Chancellor recommends approval.
1. **Issue:** NDSU wishes to update and renovate Dolve Hall, an academic building having few improvements in over 60 years.

2. **Proposed motion:** Authorize NDSU to proceed with the Dolve Hall partial renovation and HVAC update project at an estimated cost of $870,000 funded from the 2015-17 extra-ordinary repair funds.

3. **Background:** NDSU Dolve Hall is the mechanical engineering building, and has out-of-date mechanical systems and asbestos containing building materials (ACBMs) for interior finishes that should be replaced.

4. **Financial implications:** The base extraordinary repair funds slated for use on this project require a 2:1 match, for which NDSU will use reserve operating funds which do not require authorization for transfer to a capital line. All funds are sufficient and available for use, and include no unrestricted gift funds.

5. **Academic implications:** None

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

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

8. **Enclosures:** (agenda item and related material)

9. **Contact person:** Bruce Bollinger, VP for Finance and Administration

10. **Chancellor’s Recommendation:** The Chancellor recommends approval.
1. **Issue:** Mayville State University has requested approval of a new mission statement:

   *Mayville State University is dedicated to excellence in teaching, service, and scholarship in dynamic, inclusive and supportive learning environments that are individually focused. We offer quality undergraduate and master's programs enriched with practical experiences to prepare all learners for a global economy.*

2. **Proposed actions:** Approve Mayville State University’s [new mission statement](#).

3. **Background information:**
   Mayville State has recently undergone a concerted self-study in preparation for accreditation visits, all within the past year, by the Higher Learning Commission (HLC), the Council for the Accreditation of Educator Preparation (CAEP), and the Commission on Collegiate Nursing Education (CCNE). Mayville State received full accreditation from all entities.

   The revision of the Mayville mission statement reflects the addition of their new Master’s program and their newly completed strategic plan, purposes and core values.

   The current mission statement is:

   *The mission of Mayville State University is to educate and guide students, as individuals, so that they may realize their full career potential and enhance their lives. We do this in an environment that reflects our tradition of personal service, commitment to innovative technology-enriched education and dynamic learning relationships with community, employers and society.*

4. **Financial implications:** Minimal implications for the changing of signage.

5. **Legal/policy issues:** SBHE Policy 100.7 provides:

   The State Board of Higher Education must approve the individual mission/role/scope statements of the constituent campuses as published in their bulletins. Mission statements are expected to reflect North Central Association requirements and, as appropriate, the strategic plan of the North Dakota University System. Such statements must be submitted to the Chancellor’s Office for review and forwarding to the Board upon Board’s request. If a campus wishes to revise its mission, the Board will consider such a request.

6. **Academic issues:** The revised mission statement is updated to reflect the addition of the Master’s level program currently offered by Mayville State.

7. **Coordination:** The policy was reviewed by the Chancellor’s Cabinet on 2 November 2016.

8. **Attachments:** None.
9. **Contact information:** Dr. Richard M. Rothaus, Vice Chancellor of Academic and Student Affairs, 701-328-4136, richard.rothaus@ndus.edu

10. **Chancellor's recommendation:** Approval.
November 8, 2016

SBHE Budget & Finance Committee Members
North Dakota State Board of Higher Education
600 East Blvd
Bismarck, ND 58501

Committee Members:

Per our recent request to the Budget & Finance Committee on October 20, 2016, we are providing additional background and information pertaining to project ownership and responsibility for deferred maintenance relating to the NDSCS-Fargo expansion project request.

History:

Planning for NDSCS’s expansion started with discussions between the Fargo/Cass County EDC, NDSU & NDSCS in 1996. Project supporters considered this a vital economic development initiative to provide business with a better trained workforce. Support for the project was driven by the business community and legislative leadership from Cass County. Business leader sentiment was to expand two-year education and training opportunities. As a result, NDSU & NDSCS formed a joint venture to launch the expansion which was supported by the North Dakota State Board of Higher Education.

The 1997 Legislative Assembly appropriated $750,000 for the project which required dollar for dollar match from business & industry to move the project forward. The Fargo/Cass County EDC raised approximately $2,000,000 from business & industry for the project. Then in 1999, the Legislative Assembly approved an additional $750,000 for the project. The project took three years to complete with the completion of the fundraising campaign, legislative funding and a $500,000 federal grant. The total project costs for the 56,433 sq. ft. facility to begin operations was $4,000,000.

The NDSCS operation has contributed greatly to the Fargo community. An estimated 30,000 individuals have benefited by taking educational and training courses. Further, over 700 New Americans have received welding certification training and are gainfully employed with regional manufacturing businesses.

Current Facility:

The current facility is 56,433 sq. ft. and is at near capacity.

FY15 annual budget was:

- Operational expenses, including rent $2,585,061
- Annual revenue generated $2,613,728
Existing Programming:

At the request of Business and Industry, the role of NDSCS-Fargo has evolved to include significant credit-based academic offerings, and the associated student and administrative services necessary to support these efforts. Current academic programming offered at the NDSCS-Fargo location now includes: Welding, Information and Communications Technology, Business Management, Paramedic, EMT, Practical Nursing, and Liberal Arts. NDSCS-Fargo also houses the NDSCS-NDSU Pathway Program, an initiative through which NDSCS serves underprepared students seeking to attend NDSU. All of these offerings are an excellent alternative for individuals seeking a non-traditional educational format. NDSCS has also partnered with area secondary schools since 1998 by offering various high school career and technical education classes at NDSCS-Fargo. TrainND Southeast also continues to deliver non-credit customized training at the facility.

Purpose of Expansion:

To meet the increasing workforce needs of eastern North Dakota in the manufacturing, transportation, healthcare, technology and finance sectors by adopting a game-changing model with heavy emphasis on expanding K-12 partnerships to strengthen educational pathways.

This project aligns with the North Dakota State Board of Higher Educations 2015-2020 Strategic Plan.

- Provide programs people want where and when they need them.
- Strengthen partnerships with regional high schools to increase proportion of North Dakota high school graduates attending NDUS schools.
- Strengthen partnerships with businesses to ensure that we are producing the graduates with the skills they need and increasing the likelihood of businesses providing updated tools for hands-on learning.

Further, Governor Jack Dalrymple on May 23, 2016 during the Envision 2030 Summit in Bismarck, ND made specific reference to the Fargo workforce study as a prime example of creating a model to deliver workforce solutions.

NDSCS-Fargo has reached near capacity since operations began in 1997. Population growth and projected growth warrant NDSCS’s expansion project.

Historical and estimated future population data is below:

- 1990  153,296
- 2015  207,484
- 2025  240,400 (projected)
North Dakota’s Economic Planning Regions

<table>
<thead>
<tr>
<th>Regions</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
<th>2035</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region 1 (Williston)</td>
<td>30,829</td>
<td>49,306</td>
<td>63,473</td>
<td>76,282</td>
<td>86,183</td>
<td>93,581</td>
<td>99,302</td>
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<tr>
<td>Region 2 (Minot)</td>
<td>89,967</td>
<td>103,736</td>
<td>114,796</td>
<td>124,823</td>
<td>132,542</td>
<td>138,505</td>
<td>143,189</td>
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<td>Region 3 (Devils Lake)</td>
<td>40,672</td>
<td>41,731</td>
<td>43,045</td>
<td>44,534</td>
<td>46,263</td>
<td>47,866</td>
<td>49,317</td>
</tr>
<tr>
<td>Region 4 (Grand Forks)</td>
<td>88,519</td>
<td>92,333</td>
<td>97,463</td>
<td>103,096</td>
<td>108,926</td>
<td>114,126</td>
<td>117,474</td>
</tr>
<tr>
<td>Region 5 (Fargo)</td>
<td>185,481</td>
<td>207,484</td>
<td>224,981</td>
<td>240,400</td>
<td>251,766</td>
<td>260,194</td>
<td>266,498</td>
</tr>
<tr>
<td>Region 6 (Jamestown)</td>
<td>56,363</td>
<td>56,165</td>
<td>56,003</td>
<td>56,030</td>
<td>56,040</td>
<td>55,916</td>
<td>55,664</td>
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<tr>
<td>Region 7 (Bismarck)</td>
<td>141,864</td>
<td>157,696</td>
<td>169,135</td>
<td>178,332</td>
<td>184,262</td>
<td>187,762</td>
<td>189,671</td>
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<tr>
<td>Region 8 (Dickinson)</td>
<td>38,896</td>
<td>48,476</td>
<td>55,449</td>
<td>61,377</td>
<td>65,523</td>
<td>68,425</td>
<td>70,407</td>
</tr>
</tbody>
</table>

Population growth has direct impact on growth in Cass & Clay County K-12 schools. See graph below.

Proosed Project:

The purpose of this project will be to expand the access to education and training opportunities in Cass County and the surrounding region through public and private partnerships. Expanding access will require NDSCS to relocate from its current facility located in Fargo. The proposed plan for instruction space and curriculum will provide a seamless transition from high schools to two-year colleges to workforce and beyond.
This project is built on the premise of shared services through collaboration with multiple public and private partnerships. The plan includes multiple two-year colleges, such as Bismarck State College and M-State, as well as, multiple school districts, such as, Fargo Public Schools, West Fargo Public Schools and others, to offer classes within the new facility. The land purchase would take into consideration adequate space for future potential needs.

The current building design would allow for Career and Technical Education labs, flexible general purpose classrooms, student support spaces and modest work space for faculty and staff. The current NDSCS-Fargo location would be vacated.

Ownership/Funding:

The current NDSCS-Fargo facility is owned by the NDSCS Foundation. The new facility will be owned by the NDSCS Foundation and/or a consortium of, or with, K-12 school districts. Exact ownership model will continue in development discussions producing a model that is responsible for all deferred maintenance and ownership. We are currently operating with a very similar model that is being proposed.

Funding to be contributed through multiple stakeholders anticipated to include:

- Private Sector Investment Campaign
- City of Fargo
- City of West Fargo
- Fargo Public Schools
- West Fargo Public Schools
- Moorhead Public Schools
- Other funding sources

Need:

Currently there are over 5,000 open positions in the Fargo/Moorhead, West Fargo market.

According to the 2016 Workforce Study conducted by Grindberg & Associates, the Fargo-Moorhead area will need to fill over 30,000 positions by 2020.

Letters of support from The Chamber of Fargo-Moorhead-West Fargo, the Greater Fargo-Moorhead Economic Development Corporation, the cities of Fargo and West Fargo, and Wahpeton city leaders are included in the attached brochure.

Request:

NDSCS requests approval to begin a formal fund raising campaign for this project. As stated above, multiple funding partners meet on a monthly basis to advance this project.

Thank you for your consideration.

John Richman, Ph.D.
President
Expanding Access to Workforce Development and Training

to Cass County and the Surrounding Regions
The purpose of this project will be to expand the access to educational and training opportunities in Cass County and the surrounding region through public and private partnerships. Expanding access will require NDSCS to relocate from its current facility located in Fargo. The proposed plan for instructional space and curriculum will provide a seamless transition from high schools to two-year colleges to workforce and beyond.

**SCOPE OF WORK**

It is projected that facility space of approximately 125,000 sq. ft. will be required to meet the coming needs. The anticipated budget for this project would be approximately $46,017,000. The building would consist of CTE education labs, flexible general purpose classrooms, student support spaces as well as modest work space for faculty and staff.

A study has shown that the current location of the NDSCS-Fargo leased building does not provide the needed acreage to house the needed facilities to meet the growing workforce needs of this region. This study also showed that a more central location would allow more accessibility to the high schools in the region and better serve their Career and Technical Education needs. As a result of these findings, this project would include land acquisition of a green space of up to 30 acres and site infrastructure work to develop the location for the construction of the new facility.

The design of the building would be required to meet applicable space guidelines for assignable and flexible needs as well as meet a set of best practice design standards. This would ensure the building is adaptable to future needs and will be able to function well into the future without significant maintenance or major renovations.

**SOURCE OF FUNDS**

This project would be funded through a combination of funds from multiple stakeholders.

**SHARED SERVICES / EFFICIENCIES / PHASING – PLANNING**

This project is built on the premises of shared services through collaboration with multi public and private partnerships. The land purchase would take into consideration adequate space for future potential needs.

**PROJECT COST ESTIMATE**

(estimate to mid-point of construction)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Total</strong></td>
<td>$46,017,000</td>
</tr>
<tr>
<td><strong>Construction Costs</strong></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>$31,250,000</td>
</tr>
<tr>
<td>Mechanical</td>
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</tr>
<tr>
<td>Electrical</td>
<td>TBD</td>
</tr>
<tr>
<td>Site Work</td>
<td>$1,500,000</td>
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<tr>
<td>Landscaping</td>
<td>TBD</td>
</tr>
<tr>
<td>Demolition</td>
<td>$ -</td>
</tr>
<tr>
<td>IT</td>
<td>TBD</td>
</tr>
<tr>
<td>Other</td>
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<tr>
<td><strong>Sub Total</strong></td>
<td>$32,750,000</td>
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<tr>
<td><strong>Contingency</strong></td>
<td>$3,275,000</td>
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<tr>
<td><strong>Total Construction</strong></td>
<td>$36,025,000</td>
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<tr>
<td><strong>Soft Costs</strong></td>
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<tr>
<td>Design Fees</td>
<td>$2,521,750</td>
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<tr>
<td>Owner Costs</td>
<td>$360,250</td>
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<tr>
<td>Permits</td>
<td>$250,000</td>
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<tr>
<td>Advertising</td>
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<td>Other</td>
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<td><strong>Sub Total</strong></td>
<td>$3,134,000</td>
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<td><strong>Contingency</strong></td>
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<td><strong>Total Soft Costs</strong></td>
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<tr>
<td><strong>FF&amp;E - Property Costs</strong></td>
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<tr>
<td>Land Acquisition</td>
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<tr>
<td><strong>Total FF&amp;E/Other</strong></td>
<td>$6,750,000</td>
</tr>
<tr>
<td><strong>Future Operating Costs</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$453,014 annually or $906,028 per biennium</td>
</tr>
</tbody>
</table>

Based upon current utilities and maintenance costs of our current facility in Fargo, we would project the additional future operating costs to be $453,014 annually or $906,028 per biennium. This would be due entirely to the additional square footage of the new facility and would cover the costs of utilities and routine maintenance to maintain the building.
WORKFORCE NEEDS

In response to the increasing workforce needs of Eastern North Dakota, NDSCS has been expanding program offerings, increasing flexible scheduling options and enhancing student services to a greater number of adult and other non-traditional students at the NDSCS-Fargo location. Several renovation efforts have taken place in recent years but the existing 56,433 sq. ft. facility is quickly reaching capacity, and does not have adequate space to meet the developing programming and student support needs.

Expanding our capabilities will be imperative to provide the necessary instructional, student support and administrative services required to respond to the expectations of the increasing workforce needs of this region. With the growth to the region and increasing K-12 enrollment numbers, studies have shown the growing need to expand our educational opportunities.

Delaying this initiative will have a significant impact on our ability to meet the workforce needs of business and industry in the coming years.

The current space is a leased facility and has significant deferred maintenance that would be the responsibility of NDSCS in the coming years.

Labor market information from Job Service of North Dakota was extensively researched. The data reviewed included the current labor market needs within the state and the county, employment projections through 2020, occupations that are predicted to have the highest growth (both by number of jobs and percentage of growth) and the largest employers within Cass County. This data review was followed by targeted interviews with individuals familiar with the workforce needs of the Fargo and West Fargo area.

The interviews focused on the following industry sectors: manufacturing, transportation, healthcare, technology and finance.

In each industry sector, potential academic credit programming and non-credit workforce training offerings have been identified. In addition, potential academic enrollment projections were determined based on stated needs from the industry and on enrollment in comparable programs at other institutions.

Based on labor market information, current and projected business and industry needs and student interest, there is a need to add or expand programming in all five of the industry sectors (manufacturing, transportation, healthcare, technology and finance).

In addition to technical programs, the data supports expansion of liberal arts/transfer tracks.

NDUS EDGE Strategic Plan

GOAL 2: Provide programs people want, where and when they need them.

NDSCS’s objectives to accomplish this goal:

- Meet the incumbent worker training needs of business and industry through responsive non-credit TrainND offerings.
- Collaborate with state and regional businesses and industries to meet existing and emerging workforce needs.
- Create formal and informal partnerships with industry or communities to aid in meeting existing and emerging workforce needs.
- Increase alternate methods of instructional delivery.
GOAL 2: Meet the Workforce and Educational Needs of the Fargo/West Fargo Region

PERFORMANCE INDICATOR

Increase the Numbers of Technically Skilled Individuals Entering the Workforce

<table>
<thead>
<tr>
<th>Spring 2012</th>
<th>512 CTE Program Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>224 took jobs in North Dakota</td>
</tr>
<tr>
<td></td>
<td>69 took jobs in Cass County</td>
</tr>
</tbody>
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TARGET 14% Increase

575 CTE Graduates

Increase the Number of Transfer Students

| Fall 2012 | 94 Students Transferred within NDUS |

TARGET 5% Increase

Increase the Numbers of Employers/ Employees Served by Workforce Training

| 2012 | 643 Employers / 3998 Employees |
|      | 192 Employers, 915 Employees from Cass County |

TARGET 10% Increase of Cass County Employers

Employers are Satisfied with Employee Skills and Abilities

| 2012 | 99% Workforce Training Satisfaction |

TARGET Sustained

STEPS

- Conduct needs assessment
- Expand academic credit delivery into the late afternoon and evening
- Develop recruitment material targeted at the non-traditional populations
- Hire appropriate staff (academic counselor, administrator, faculty, support staff, etc.)
- Improve facility to better meet student’s desire for a community college experience

GOAL 4: Develop Stronger Relationships with K-12 Partners with a Focus on the Southeast Region

PERFORMANCE INDICATOR

Increase the Numbers of Technically Skilled Individuals Entering the Workforce

| Fall 2012 | NDSCS 815 FTFT / 60 FTPT |
|           | SE Region 263 FTFT / 18 FTPT |
|           | Those ONLY taking class in Wahpeton: 175 FT, 3 PT |
|           | Those taking at least 1 class in Wahpeton: 207 FT, 3 PT |

TARGET 14% Increase

Increase the Number of Students who are ready for College Level Courses

| Fall 2012 | NDSCS 1,886 Full- / Part-time Entering Students |
|           | 1,002 tested into at least one developmental class (English: 494, Reading: 345, Math: 738) |
|           | SE Region 994 Full- / Part-time Entering Students |
|           | 451 tested into at least one developmental class (English: 199, Reading: 141, Math: 306) |

TARGET 14% Increase

Increase Matriculation Rate of NDSCS Dual Credit Students from Part-time to Full-time

| Fall 2011 | 791 Dual Credit Students |
|           | 571 graduated high school in 2012 and 49 enrolled at NDSCS Fall 2012 |

TARGET 3% Increase

STEPS

- Increase number of high school contacts and marketing activities.
- Develop and implement data base to track students attending NDSCS by school program/success (GPA).
- Develop strategies to share high school data with appropriate personnel.
- Strategies to share with high school students, parents and school personnel on value of associate degree.
- Bring teachers/counselors on campus (boot camp).
- Utilize Hobson’s CRM to improve communications with high school students.
September 9, 2016

Chancellor Mark Hagerott and members of North Dakota Board of Higher Education
North Dakota State University System
10th Floor, State Capitol
600 East Boulevard Ave., Dept. 215
Bismarck, ND 58505-0230

Chancellor Hagerott and members of the North Dakota Board or Higher Education:

I wrote to you in May about a sense of urgency among leaders to find the qualified workforce necessary to reach our economic potential. Now, I urge you, in the spirit that the market is demanding, to support the expansion of North Dakota State College of Science in Fargo to broaden access to workforce development and training by allowing the institution to move forward with an effort to begin fundraising within the private sector.

The Chamber of Commerce, along with the Greater Fargo Moorhead Economic Development Corporation, United Way Cass-Clay, Fargo Moorhead Area Foundation and the Fargo Moorhead Convention and Visitors Bureau, recently conducted and released a comprehensive workforce study. This study analyzed the growing issue of an extreme workforce shortage in the Fargo-Moorhead metropolitan area. Over the next four years, there will be over 30,000 open jobs, many of those being skilled labor. It is imperative to the continued success of our community, state and region that we provide ample opportunities for students and adults to receive job training in fields that are in high demand.

The Fargo-Moorhead metropolitan area is North Dakota’s largest and fastest growing population center. In addition, the Fargo area K-12 public school’s projected enrollment numbers are significant leaps from year to year. A strong partnership between the K-12 education system and NDSCS, along with other two-year colleges, is a key attribute to advance career pathways for students and current employees. Allowing collaboration to occur, high school students are exposed to viable career opportunities at a faster rate and businesses are gaining highly qualified and trained job candidates.

A preliminary study has been done in which K-12, higher education, the business community, as well as corporate CEOs were interviewed about the workforce challenges they are facing in their respective businesses. The overwhelming results were that clearly there is a need for a collaborative effort between k-12 and higher education in order to address our workforce challenges.

In May, my letter showed you the support of the Chamber and business community and our hope to seek a third of the funds needed for this effort from private investors, a third from the state and a third from other sources including the federal government. However, in light of the economic environment that our state finds itself in, that plan will clearly need to be adjusted. Today we are asking you and the Board of Higher Education to take action to allow NDSCS to proceed with phase one of this effort by allowing us to move forward with raising private funds that will enable progress as this project moves forward.

The Chamber has a strong coalition of business and industry partners that depend on NDSCS to train their workforce. We look forward to seeing this project become a reality and would appreciate your support.

Sincerely,

Craig Whitney
President/CEO
Fargo Moorhead West Fargo Chamber of Commerce
May 19, 2016

Chancellor Hagerott
Members of the North Dakota State Board of Higher Education
600 E. Boulevard Avenue, Dept. 215
Bismarck, ND 58505-0230

Dear Chancellor and Members;

Over the last two years the Fargo Moorhead Economic Development Corporation has refocused our core mission to be more Workforce oriented than attraction or expansion oriented. Our current low unemployment numbers have caused local businesses to change their strategies for growth and it has almost halted attraction of new businesses to our market.

We have passed the tipping point as it relates to workforce, we are seeing businesses close for lack of workforce, businesses deciding not to open due to lack of workforce, manufacturing facilities moving production lines to other locations due to lack of Workforce and Tech Businesses opening satellite offices in other states due to the inability to attract workforce to our area.

We are at a critical stage and we need our education partners to be prepared to help meet these challenges. This need includes K-12, two-year and our four-year, plus institutions.

The current NDSCS facility in the Fargo market has served a valuable asset since 1997 but with the incredible growth within North Dakota’s major city it’s time for our two-year education partner to adapt to the needs of the market. Since 1997 the population has increased 40% and the types of jobs have changed significantly.

Twenty years ago our market was based on an agrarian market with a great deal of service and retail jobs. In today’s market Technology, Higher Education and Finance & Banking jobs have led our growth.

We currently have over 5,000 open positions within the Fargo market and according to our most recent Workforce Study, which was completed in 2015, we will need to fill over 30,000 positions by 2020 in the FM area. These jobs are not only new positions but a large percentage will be due to retirements within our market. These retirees are some of the most skilled workforce we have and replacing them will push businesses and organizations into making difficult decisions on future growth.

Our region needs a new and upgraded NDSCS in our market, one that partners with K-12 schools and provides the training for today and tomorrow’s jobs!

Sincerely,

James P. Gartin
President, Greater Fargo Moorhead EDC
June 27, 2016

Governor Jack Dalrymple, Chancellor Mark Hagerott and Higher Education Board Members
North Dakota University System
10th Floor, State Capitol
600 East Boulevard Avenue, Dept. 215
Bismarck, ND 58505-0230

Dear Governor Jack Dalrymple, Chancellor Hagerott and Higher Education Board Members:

As Mayors, we have had the opportunity to lead our communities through an incredible period of growth. We certainly want to continue that growth, but workforce shortages are inhibiting some possibilities.

We hear every day from business owners just how critical the situation is in our communities. We know our state’s universities and colleges are working hard to bring us graduates to fill our needs. However, we also realize there is a dire need for technical skills in such fields as health care, welding technology, mechanical skills and many others. To that end, the North Dakota State College of Science has been providing the state with graduates to help fill those needs for many years.

However, NDSCS needs more classroom space in the metropolitan area. In our discussions with President Richman, this new facility would educate students in conjunction with area businesses that have offered to form a public/private partnership. Additionally, the facility would be used for K-12 programming efficiently serving our area schools.

We, as mayors, support the plan to build a facility in the metropolitan area, as well as President Richman’s funding plan. We ask for your financial support as the cities of Fargo and West Fargo also look for opportunities to partner in the effort.

Regards,

Timothy J. Mahoney, Mayor
City of Fargo

Rich Mattern, Mayor
City of West Fargo
October 3, 2016

North Dakota State College of Science has been a vital member of the Wahpeton community since 1903. Throughout the years, NDSCS has not only grown a reputation for providing a top-quality education at its Wahpeton campus, but has also recognized that it has a statewide mission.

While NDSCS has maintained its primary campus presence in Wahpeton, the College has also offered academic programs and workforce training initiatives throughout North Dakota for more than 50 years. As business and industry needs have grown, NDSCS has responded. Recent examples include the NDSCS Nursing program offered in Oakes, and its Pharmacy Technician program offered in Bismarck. These programs and others have not diminished the College’s presence in Wahpeton, but have enhanced its ability to accomplish its mission to educate and train the workforce for North Dakota and the region, as well as align with the SBHE goal to provide programs people want, where and when they need them. These multiple off-site locations, including NDSCS-Fargo, have strengthened NDSCS’s ability to deliver greater socio-economic value to the state. In addition, off-site programs have contributed to increasing enrollment at NDSCS-Fargo as well as the main campus in Wahpeton.

NDSCS has offered education and training opportunities in the Fargo-West Fargo community for more than 20 years. In that time, the area has seen ever-increasing population growth. Along with the population, there has been enrollment growth in several K-12 school districts, as well as business and industry. The ever-increasing program offerings align with an NDSCS goal that states: “Meet the workforce and educational needs of the Fargo-West Fargo region.” NDSCS enrollment at its Fargo location has, and is, projected to continue to follow these same growth patterns.

The challenge to the College is that NDSCS-Fargo will soon be at capacity and the facility will be an inadequate size to serve the projected population growth in the Fargo-West Fargo area. Since expansion of the current facility is not feasible, NDSCS-Fargo will need to relocate in order to continue to provide the appropriate education and workforce training opportunities people want, where and when they need them. This new location will allow for enhanced and expanded collaboration between K-12 and Higher Education which is an important initiative for North Dakota University System Chancellor, Mark Hagerott.

As a business leader in Wahpeton, I recognize that NDSCS program offerings in the Fargo-West Fargo community and other locations have strengthened the College’s ability to bring even greater socio-economic value to the state.

I support the continued expansion of NDSCS program offerings, delivery methods, and delivery locations – including NDSCS-Fargo.

Terry Goerger Business Leader
Jim Sturdevant Business Leader
Joel Sirek Business Leader
Tom Shorma Business Leader
Jana Berndt Business Leader
Colette Barton Business Leader
Russell Thane Former State Senator
Rollie Ehler Richland County Commissioner
Perry Miller Wahpeton City Councilmember
Clark Williams Former State House of Representatives
Alisa Mitskog District 25 State House of Representatives
Dan Rood Jr. SE CTE Director/Former Wahpeton Mayor
Rick Jacobson Superintendent, Wahpeton Public Schools
Craig Caspers Former SBHE Member/Business Leader
Cliff Hermes Wahpeton Resident/Former Educator
Cindy Schreiber-Beck Business Leader
Paul & LeAnn Folden Business Leaders

Larry Luick District 25 State Senator
Brad Pauly Business Leader
Tim Campbell Richland County Commissioner
Casey Miller Business Leader
Rick Steckler Business Leader
Nathan Berseth Richland County Commissioner
Scott Meyer Business Leader
Fred Stregz Business Leader
Steve Dale Wahpeton City Councilmember
Ned Clooten High School Principal, Wahpeton School District
Marty Schmidt Wahpeton City Councilmember
Janel Frederickson Business Leader
Meryl Hansey Current Wahpeton Mayor