The State Board of Higher Education met on Monday, May 15, at 9:00 a.m. CT, at Bismarck State College, National Energy Center of Excellence, room 335, 1200 Schafer St., Bismarck, ND 58501.

Board Chair Neset called the meeting to order at 9:03 a.m. CT.

Members participating:
- Ms. Kathleen Neset, Chair
- Mr. Nick Hacker
- Dr. Kevin Melicher
- Mr. Nick Evans
- Dr. Ernst Pijning, Faculty Adviser
- Mr. Don Morton, Vice Chair
- Mr. Mike Ness
- Ms. Kari Reichert
- Mr. Greg Stemen
- Mr. Andy Wakeford, Staff Adviser

Chancellor present: Dr. Mark Hagerott

Institution Representatives Present:
- Dr. Doug Darling, President, LRSC
- Dr. Dean Bresciani, President, NDSU
- Mr. Mark Kennedy, President, UND
- Dr. Larry C. Skogen, President, BSC
- Dr. Laurie Geller, VPAA, MiSU
- Dr. Tisa Mason, President, VCSU
- Dr. Tom Mitzel, President, DSU
- Dr. John Miller, Interim President, WSC
- Dr. John Richman, President, NDSCS
- Dr. Gary Hagen, President, MaSU
- Dr. Larry Brooks, Assoc. Dean Academic/Student Affairs, DCB

NDUS senior staff participating:
- Dr. Lisa Feldner, Chief of Staff
- Ms. Tammy Dolan, Chief Financial Officer
- Ms. Billie Jo Lorius, Director of Communications and Media Relations
- Ms. Karol Riedman, Compliance Officer
- Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

Others Participating:
- Mr. Nick Vaughn, Attorney General’s office
- Mr. Chris Pieske, Attorney General’s office
1. **Agenda**  
   Melicher moved, Stemen seconded, to approve the agenda.  
   Ness, Melicher, Hacker, Stemen, Evans, Reichert, Morton, and Neset voted yes.

2. **Minutes**  
   Ness moved, Morton seconded, to approve the April 27, 2017, meeting minutes.  
   Ness, Melicher, Hacker, Evans, Reichert, Morton, Stemen, and Neset voted yes.

3. **SBHE Policy 410.0 – Responsible Conduct of Research**  
   Lisa Feldner presented 1st reading of policy 410.0. She indicated the policy received approval by consensus at the Academic and Student Affairs Council.  
   Morton moved, Melicher seconded, to approve 1st Reading of policy 410.0  
   Hacker, Ness, Melicher, Evans, Reichert, Morton, Stemen, and Neset voted yes.

4. **Policy 340.2 – Foundations**  
   Nick Vaughn presented proposed amendments to policy 340.2 for second reading. After Board discussion the following language was added to number 3 (n):  
   A requirement that the affiliated institution’s President, or President’s designee(s) shall be an ex officio non-voting member(s) of the nonprofit affiliate’s governing Board, except where there is a requirement that the President or President’s designee serve as a voting member as part of the nonprofit affiliate’s articles of incorporation.  
   Melicher moved, Evans seconded, to approve 2nd reading of Policy 340.2 with amendment as discussed.  
   Hacker, Ness, Melicher, Evans, Reichert, Morton, Stemen, and Neset voted yes.

5. **Policy 305.1 – College and University Presidents’ Authority and Responsibilities**  
   Morton moved, Melicher seconded, to approve 2nd reading of Policy 305.1  
   Reichert, Hacker, Ness, Melicher, Evans, Morton, Stemen, and Neset voted yes.

6. **Policy 505 – International Student Health Insurance**  
   Morton moved, Melicher seconded, to approve 2nd reading of Policy 505.  
   Hacker, Reichert, Ness, Melicher, Evans, Morton, Stemen, and Neset voted yes.

7. **Policy 607.5 – Faculty Leave**  
   Hacker moved, Morton seconded, to amend 2nd reading of Policy 607.5 as follows:
3. **SICK LEAVE**

3.a. **Short-term**
Proposed amendment: Remove the defined number of days and give the institutions the authority to determine the number of days and conditions that qualify as short term.

3.b. **Long-term leave/serious health condition**
Proposed amendment: Refer to the FMLA definition and guidelines, including the requirement to provide medical certification.

4. **DEPENDENT Family Leave**
Proposed amendment: Expand the definition of eligible dependents to eligible family to follow the FMLA guidelines.

5. **Parental Leave**
Proposed amendment: If both parents work in the North Dakota University System, only one parent is allowed 6 weeks of paid leave and the second parent 2 weeks of paid leave.

Board Council suggested that further review and clarification regarding a combination of paid and unpaid leave, and/or accrued and non-accrued being taken concurrently.

The Board would like clear standards, but to allow flexibility to the institutions.

Reichert, Stemen, Hacker, Morton, Evans, and Neset voted yes. Ness and Melicher voted no.

Stemen moved, Evans seconded, to table 2nd reading of policy 607.5.

Ness, Melicher, Hacker, Reichert, Evans, Morton, Stemen, and Neset voted yes.

8. **Executive Session**
Melicher moved, Stemen seconded, to enter Executive Session to (1) discuss the Biesiot Activity Center litigation and (2) limit the executive session to voting Board members, nonvoting advisors, Chancellor, President of Dickinson State University, Chancellor’s Senior Staff, and Board counsel.

The legal authority for closing this portion of the meeting is North Dakota Century Code section 44-04-19.1(2).

Evans, Morton, Ness, Melicher, Hacker, Reichert, Stemen, and Neset voted yes.

**Members participating:**
- Ms. Kathleen Neset, Chair
- Mr. Don Morton, Vice Chair
- Mr. Nick Hacker
- Mr. Mike Ness
- Dr. Kevin Melicher
- Ms. Kari Reichert
NDUS staff present:
  Dr. Lisa Feldner, Chief of Staff
  Ms. Tammy Dolan, Chief Financial Officer
  Ms. Billie Jo Lorius, Director of Communications and Media Relations
  Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

Others Participating:
  Mr. Nick Vaughn, Attorney General’s office
  Mr. Chris Pieske, Attorney General’s office

  Melicher, Ness, Stemen, Hacker, Morton, Johnson, and Neset voted yes.

Executive session began at 10:20 a.m. and adjourned at 11:00 p.m. CT.

9. **Biesiot Activity Center litigation**
   Hacker moved, Stemen seconded, to authorize the Board Chair and the Chancellor to sign the proposed settlement agreement as discussed in Executive Session to expend the funds appropriated in SB2003, regarding the Biesiot Activity Center at Dickinson State University.

   Melicher, Ness, Stemen, Hacker, Morton, Johnson, and Neset voted yes.

10. **Annual Budget Guidelines**
    Tammy Dolan presented the annual budget guidelines and stated the institutions will provide the system office their annual budgets by June 19th. Tammy requested approval of the guidelines and for the Chancellor to have the authority to approve the institutions budgets within the guidelines set by the Board.

    Stemen moved, Evans seconded, to approve the recommended annual budget guidelines.

    Hacker, Ness, Melicher, Reichert, Evans, Morton, Stemen, and Neset voted yes.

11. **Board Chair and Vice Chair Nominations**
    Melicher nominated Don Morton for Chair and Mike Ness nominated Greg Stemen for Vice Chair to the State Board of Higher Education. Board terms will begin on July 1, 2017.

    Approved by consensus.

12. **State Authorizations**
    Lisa Feldner explained that Embry Riddle Aeronautical University, Park University, and Rasmussen College have submitted their annual application for State authorization to operate campuses in North Dakota. North Dakota Century Code
requires approval of these institutions by the State Board of Higher Education to operate a physical institution. The requirements for approval are set by statute, and all three institutions meet the requirements.

Stemen moved, Evans seconded, to approve the renewal of State authorization for Embry Riddle Aeronautical University, Park University, and Rasmussen College.

Evans, Hacker, Ness, Melicher, Reichert, Morton, Stemen, and Neset voted yes.

13. **Theodore Roosevelt Library**
Lisa Feldner explained that in the higher education appropriations bill, SB2003, requires the SBHE to appoint an employee of the system office to preapprove any expenditures for the Theodore Roosevelt Library project for the next biennium beginning immediately.

Morton moved, Hacker seconded, to appoint Tammy Dolan, Chief Financial Officer, to preapprove expenditure of funds for the Theodore Roosevelt Center Project as required by Senate Bill 2003.

Hacker, Ness, Melicher, Evans, Reichert, Morton, Stemen, and Neset voted yes.

**Legislative Update**
Lisa Feldner and Tammy Dolan gave an update on the status of legislative bills.

**Chancellor’s Report**
Chancellor Hagerott reported on current system initiatives.

**Governance Committee Recommendations**
14. **Board Assessments**
Committee Chair Ness proposed Board assessment options and different ways it could be conducted. The Committee recommended a representative from the system office interview Board members individually, collect all input that would be anonymous, and create a summary for the Governance Committee to review.

Ness moved, Melicher seconded, to approve a Board assessment be conducted by a NDUSO staff member.

Evans, Hacker, Ness, Melicher, Reichert, Morton, Stemen voted yes. Neset voted no.

**SBHE Budget/Finance and Academic Committees did not meet the month of May; the following items went directly to the Board without any recommendations (15-27).**

**Budget Requests**
Melicher moved, Morton seconded, to approve budget and finance items, 15-20.

Ness, Hacker, Melicher, Reichert, Evans, Morton, Stemen, and Neset voted yes.
15. Recommend ratification Chancellor’s interim authorization for BSC to use excess funds previously transferred from the 2015-17 NDUS Office deferred maintenance pool to BSC’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 additional roofing replacement project. Also ratify Chancellors interim authorization to transfer $43,500 from operating to capital assets as per section 32 of H.B. 1003 of the 64th legislative assembly.

16. Recommend ratification to Chancellor’s interim approval for MaSU to proceed with the Agassiz Hall Mechanical Renovation in the amount of $777,000 to be funded $375,000 from a mediation settlement and $402,000 from auxiliary reserves.

17. Recommend authorizing MaSU to proceed with various renovation, deferred maintenance, and code upgrade work on campus with funding from the remaining $303,429 one-time deferred maintenance pool included in HB1003, Section 2. One-time funding – Effect on Base Budget – Report to Sixty-Fifth Legislative Assembly. Furthermore, authorize the transfer of $303,429 from 2015-17 North Dakota University System Office deferred maintenance pool to the Mayville State University’s capital assets line item per HB1003 (2015), Section 25.

18. Recommend adopting the resolution approving sale of NDSU housing and auxiliary facility revenue bonds as presented this day.

19. Recommend authorizing NDSU to proceed with the construction of the New Residence Hall at an estimated cost of $39,505,000 funded from revenue bond proceeds pending passage of SB2003 and applicable emergency clause in the bill by the 65th Legislative Assembly.

20. Recommend authorizing NDSU to proceed with a fundraising campaign through the NDSU Foundation and Alumni Association for an amount up to $650,000 for equipment and ancillary systems for a seed cleaning facility at the Carrington REC in Carrington, ND. Total project authorization is $750,000 General Fund and $1,500,000 Other Funds.

21. **Stage II-Organizational Change(s):**
   
   **UND - Create the Institute for Unmanned and Autonomous Research (IUAR)**

   President Kennedy requested to name it the Research Institute for Autonomous Systems (RIAS).

   Morton moved, Hacker seconded, to rename Institute for Unmanned and Autonomous Research (IUAR) to Research Institute for Autonomous Systems (RIAS).

   Ness, Hacker, Melicher, Reichert, Evans, Morton, Stemen, and Neset voted yes.

22. **Academics**

   **Stage II-New Program(s):**

   **MiSU:**
• Minor in Law and Legal Studies, CIP Code 22.0001, via on-campus and distance delivery
• Minor in Offenders, Risk Assessment, and Corrections, CIP Code 43.0104, via on-campus and distance delivery
• Minor in Police Management and Investigations, CIP Code 43.0104, via on-campus and distance delivery

23. **NDSU** - Minor in Reliability Engineering, CIP Code 14.9999, via on-campus

   Stemen moved, Morton seconded, to approve academic items 22-23.

   Melicher, Ness, Stemen, Hacker, Morton, Johnson, and Neset voted yes.

**New Certificates**

   - MISU
   - UND
   - NDSU

   Stemen moved, Evans seconded, to approve academic item 24.

   Stemen, Melicher, Ness, Hacker, Morton, Johnson, and Neset voted yes.

25. **Stage II-Organizational Change(s):**
    NDSU - Create a new department: Transportation & Logistics Department, CIP Code 52.0209

26. **Stage II-Program Termination(s):**
    **DSU:**
    - Art Education minor Elementary and Secondary, CIP Code 13.1302
    - Choral Music Education minor Elementary and Secondary, CIP Code 13.1312
    - Communication Education minor Elementary and Secondary, CIP Code 13.1331
    - English Education minor Elementary and Secondary, CIP Code 13.1305
    - Instrumental Music Education minor Elementary and Secondary, CIP Code 13.1312
    - Spanish Education minor Elementary and Secondary, CIP Code 13.1330
    - Theatre Education minor Elementary and Secondary, CIP Code 13.1324
    - Mathematics Education minor Elementary, 13.1311
    - Computer Science Education minor Secondary, CIP Code 13.1321

   Evans moved, Morton seconded, to approve academic item 26.

   Stemen, Melicher, Ness, Hacker, Morton, Johnson, and Neset voted yes.
27. **NDSU**
   - Minor in Health Communication, CIP Code 09.0905
   - B.A./B.S. in Health Communication, CIP Code 09.0905

**System Reports**

28. **Strategic Plan – Goal 1**
   Tammy Dolan reviewed Goal 1, which is to deliver degrees that are the best value in the nation and Ryan Jockers presented the goal through the NDUS dashboards.

29. **North Dakota Student Association (NDSA) Report**
   Nick Evans introduced Kaleb Dschaak as the new NDSA President.

30. **Staff Senate Report**
   Andy Wakeford congratulated the following students that recently earned awards:
   - Monte Koshel – UND – Ken & Toby Baker Award
   - Marv Leier – UND – 25 Year Service to UND
   - Janet Huffman – LRSC – Staff Member of The Year (voted on by Students)

31. **Council of College (CCF)**
   Dr. Ernst Pijning announced that Dr. Birgit Pruess would replace him as the CCF representative on the Board; her term will begin June 1, 2016.

The meeting adjourned at 2:30 p.m. CT.