

**DRAFT**  
**Draft North Dakota State Board of Higher Education**  
Meeting Minutes  
June 27, 2016

The State Board of Higher Education met on Tuesday, June 27, at 8:30 a.m. at Bismarck State College, National Energy Center of Excellence, 1200 Schafer Street, room 335, Bismarck, ND 58501. The live video stream can be viewed at:

Board Chair Neset called the meeting to order at 8:30 a.m. CT.

Members participating:

Ms. Kathleen Neset, Chair	Mr. Don Morton, Vice Chair
Mr. Nick Hacker	Mr. Mike Ness
Dr. Kevin Melicher	Ms. Kari Reichert (arrived @ 8:10)
Mr. Nick Evans	Mr. Greg Stemen
Dr. Birgit Pruess, Faculty Adviser	Mr. Andy Wakeford, Staff Adviser

Chancellor present: Dr. Mark Hagerott

Institution Representatives Present:

Dr. Doug Darling, President, LRSC  
Dr. Jerry Migler, Dean, DCB  
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

NDUS senior staff participating:

Dr. Lisa Feldner, Chief of Staff  
Ms. Tammy Dolan, Chief Financial Officer  
Dr. Richard Rothaus, Vice Chancellor of Academic Affairs  
Ms. Billie Jo Lorius, Director of Communications and Media Relations  
Ms. Karol Riedman, Compliance Officer  
Ms. Laura Schratt, Director of Audit Services  
Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

Others Participating:

Mr. Nick Vaughn, Attorney General's office  
Dr. Casey Ryan, Incoming Board member  
Mr. Jacob Dailey, Incoming Board member

1. **Agenda**

Melicher moved, Ness seconded, to approve the agenda.

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

Representative Rick Becker addressed the Board. His address included topics such as, having more of an emphasis on two-year degrees and certificates, rethinking the tuition reciprocity agreements with other states, and a deeper embrace of digital learning.

2. 2<sup>nd</sup> Reading, [SBHE Policy 410.0](#)

Richard Rothaus presented policy 410.0, Responsible Conduct of Research.

Evans moved, Stemen seconded, to approve 2<sup>nd</sup> reading of policy 410.0.

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

3. [Commendatory Awards](#)

Richard Rothaus explained that House Bill 1201 established funding for commendatory awards to higher education faculty members. The NDUS was funded to give annually four \$500 awards to full-time faculty to recognize their use of technology in the delivery of innovative classroom instruction. Legislation stipulated that each year there would be one faculty recipient recognized from North Dakota State University, the University of North Dakota, a NDUS regional four-year institution, and a NDUS community college. He also noted that 2017 would be the last year these awards were funded.

Evans moved, Stemen seconded, to approve the Commendatory Awards.

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

**Executive Session**

4. Melicher moved, Morton seconded, to move to enter Executive Session to (1) consider the appointment, reappointment, and any new contract terms for Presidents of NDUS institutions 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).

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

Members participating:

Ms. Kathleen Neset, Chair

Mr. Nick Hacker

Dr. Kevin Melicher

Mr. Nick Evans

Dr. Birgit Pruess, Faculty Adviser

Mr. Don Morton, Vice Chair

Mr. Mike Ness

Ms. Kari Reichert

Mr. Greg Stemen

Mr. Andy Wakeford, Staff Adviser

NDUS staff present:

Chancellor Hagerott

Dr. Lisa Feldner, Chief of Staff

Ms. Tammy Dolan, Chief Financial Officer

Dr. Richard Rothaus, Vice Chancellor of Academic Affairs

Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

Others Participating:

Mr. Nick Vaughn, Attorney General's office

Executive session began at 9:10 a.m. and adjourned at 9:20 p.m. CT.

5. Reconvene to take action regarding the appointment, reappointment, and any new contract terms for Presidents of NDUS institutions.

Ness moved, Morton seconded, to extend contract terms for Bismarck State College, Dickinson State University, Lake Region State College, Mayville State University, Minot State University, North Dakota State College of Science, North Dakota State University, and Valley City State University, to June 30, 2019.

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

Hacker moved, Morton seconded, to waive Board policy 601.1 for the purposes of considering an appointment for the presidency at Williston State College.

Hacker noted that Dr. John Miller is currently serving as Interim President at WSC and that by waiving policy 601.1 would eliminate the need to conduct a search. The Board and Chancellor discussed Dr. Miller's exceptional work as interim and that he was considered one of the top two candidates for the President's position during the last search.

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

Stemen moved, Melicher seconded, to appoint Dr. John Miller as WSC President and to authorize the Chancellor to negotiate the contract terms.

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

6. **Chancellor's Contract**

The Board Chair explained the process in which the Chancellor's evaluation was conducted. She stated the Board Vice Chair assisted her in the process and requested and received input from several other Board members. Both the Chair and Vice Chair met with the Chancellor on multiple occasions to discuss his last year's work and progress. The Chair stated she looks to the Chancellor to continue to evolve into a strong role of leadership for the Board, Cabinet, and system office. She recommended a one year extension to June 30, 2019, for the Chancellor's contract.

Melicher moved, Morton seconded, to approve extension of the Chancellor's contract to June 30, 2019.

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

7. **Chancellor and Executive Salaries**

Chancellor Hagerott recommended no salary increases this year for the Presidents and executive staff at the system office and acknowledged he supported no increase as Chancellor as well. He strongly noted the decision was not based on performance and praised the Presidents and system staff for the work they have done the past year. The decision was based solely on the current budget climate.

Ness moved, Morton seconded, to approve the Chancellor's recommendation to not increase the President's and system office executive staff's salaries.

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

8. **Appointment of Board Committees**

Nick Vaughn explained the Board Committee structures and representation is appointed by the Board Chair. The following appointments were made:

- SBHE Academic and Student Affairs Committee
  - Mike Ness, Chair
  - Don Morton
  - Jacob Dailey
  - Birgit Pruess, non-voting
- SBHE Audit Committee
  - Greg Stemen, Chair
  - Kevin Melicher
  - Kathleen Neset
- SBHE Budget and Finance Committee
  - Nick Hacker, Chair
  - Greg Stemen
  - Casey Ryan
  - Andy Wakeford, non-voting
- SBHE Challenge Fund Grant Review Committee
  - Kathleen Neset
  - Casey Ryan
- SBHE Governance Committee
  - Kathleen Neset, Chair
  - Nick Hacker
  - Mike Ness

9. **NDSCS Workforce Briefing**

President Richman stated the NDSCS workforce project was presented to the Board on November 16, 2017, and was tabled. President Richman, along with other supporters of the workforce project presented information encouraging the Board to authorize [NDSCS to begin fund raising](#) from the private sector for the project. He emphasized the request is to authorize fund raising only and no state funds would be used to fund the project. Any further requests would go before appropriate legislation and the SBHE for authorization.

The Board had an in-depth conversation of pros and cons of the NDSCS fund raising project. Board members were supportive of the concept; however, some Board members discussed concerns. The Board would like to know the outcome of the vetoed portions of Senate Bill 2003, prior to authorizing NDSCS's request. The Board noted they do not endorse leasing, renting, building, or buying of additional buildings or property; and, prohibit any use of state funds now and in the future without proper authorizations. The Board Chair stated she understood and could potentially support the concept of the NDSCS project; however, it is on the agenda as informational only and requested more information prior to any Board action.

Stemen moved, Evans seconded, to remove the NDSCS workforce project from the table from the SBHE meeting Nov. 16, 2016, meeting.

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

Melicher moved, Morton seconded, to authorize NDSCS to begin fund raising for a workforce academy, with it's potential of development without any NDUS or state funds.

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

### **SBHE Budget, Finance, and Facilities Committee Recommendations**

Greg Stemen reviewed the following SBHE Budget and Finance Committee Consent items:

10. [SBHE and NDUSO Annual Budgets](#)
11. [UND to raze 39 apartment buildings](#): three six-plex units on Stanford Road, three six-plex units on State Street and 17 four-plex units on Northwestern Drive (each with an insurable value over \$250,000); and 16 duplexes on Northwestern Drive (each with an insurable value under \$250,000).
12. UND to proceed with an amended scope of work for various campus [deferred maintenance needs](#) and nullify specific items within the December 10, 2015. SBHE approval to proceed with various renovation, code upgrade and deferred maintenance work in Merrifield Hall (\$450,000) and the Montgomery Hall elevator modernization (\$100,000) as neither project was started. Further authorize UND to increase spending authorization for O'Kelly Hall classroom renovations from \$5,000,000 to \$5,450,000, an increase of \$450,000 to be paid from previously approved deferred maintenance work in Merrifield Hall. Funds identified for the Montgomery Hall elevator (\$100,000) would be applied to the elevator upgrade in Clifford Hall.
13. NDSU to proceed with the [Softball Grandstand Complex Project](#)– Phase I at an estimated total cost of \$380,500 funded from \$364,500 of private funds and \$16,000 of extraordinary repair and matching operating funds.

Stemen moved, Hacker seconded, to approve budget and finance items 10-13.

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

### **SBHE Audit Committee Recommendations**

14. [2017/18 Audit Plan](#) and 15. Audit Structure  
Laura Schratt gave an overview of the 2017/18 audit plan. The legislature appropriated some funds for additional internal audit positions. Other funds needed would come from campus assessment based on the number for FTE's at each institution.

The Board discussed the internal audit reporting structure, noting UND has their own internal auditors and recommends NDSU consider having an internal auditor at their institution as well. The institutions that have their own internal auditors will continue to provide Laura Schratt their reports, but will report to their President. Any additional auditors through the system office will report to Laura Schratt.

Melicher moved, Stemen seconded, to approve the 2017/18 Audit Plan.

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

**Chancellor's Report**

At the request of the Chancellor, President Hagen gave the Board an update on the campuses [attainment/retention](#) efforts.

**Meeting Schedule**

Ness moved, Stemen seconded, to cancel the August 2017 Board meeting and to authorize the SBHE Committees to conduct final approvals at their August meetings.

**Present Recognition Plaques to outgoing Board Members**

Ms. Neset presented Kari Reichert and Nick Evans with plaques and thanked them for serving on the SBHE.

The meeting adjourned at 3:30 p.m. CT.