North Dakota State Board of Higher Education
Budget and Finance Committee Minutes
January 17, 2017

The State Board of Higher Education Budget and Finance Committee met via conference call, Tuesday, January 17, 2017, at 9:00 a.m. CT. The call originating from the North Dakota University System Office, 10th Floor, 600 East Boulevard Ave., Bismarck, ND 58505.

Chair Stemen called the meeting to order at 9:00 a.m. CT.

SBHE Budget and Finance Committee members participating:
   Mr. Greg Stemen, Chair
   Mr. Nick Hacker
   Ms. Kari Reichert
   Mr. Andy Wakeford

Other participants:
   Mr. Rick Tonder, NDUS
   Mr. David Krebsbach, NDUS
   Ms. Karol Riedman, NDUS
   Ms. Laura Schratt, NDUS
   Dr. Lisa Feldner, NDUS
   Ms. Kristie Hetzler, NDUS
   Ms. Billie Jo Lorius, NDUS
   Dr. Richard Rothers, NDUS
   Mr. Nick Vaughn, AG’s Office

President Shirley, MiSU
Mr. Brent Winiger, MiSU
Mr. Dave Clark, BSC
Ms. Alice Brekke, UND
Mr. Bruce Bollinger, NDSU
President Bresciani, NDSU
Mr. Mike Ellingson, NDSU
Mr. Marty Parsons, DSU

1. **Agenda**
   Hacker moved, Reichert seconded, to approve the agenda with the following additions as discussion topics for each institution by tiers:
   - Administrative Cost Caps per Tier
   - Student Credit Hour per FTE Faculty
   - Shared Services and Consolidation Update
     - Payroll
     - Accounting services
     - Procurement

   Reichert, Hacker, and Stemen voted yes.

2. **Meeting Minutes**
   Hacker moved, Reichert seconded, to approve the November 10, 2016, meeting minutes.
Hacker, Reichert, and Stemen voted yes.

3. **Policy 605.3 – Nonrenewal Termination or Dismissal of Faculty**
   Tammy Dolan reviewed the current policy. It states an institution may terminate an appointment of a tenured faculty member following a determination by the Board that a financial exigency exists which requires such action at an institution or institutions, or upon determination by the institution that such action is necessary because of loss of legislative appropriations, loss of institutional or program enrollment, consolidation of academic units or program areas, or elimination of courses. In such cases, significant consideration shall be given to length of service and tenure status in the retention of faculty members within the affected academic unit or program area, curriculum requirements, professional achievements, breadth of competence, and equal employment opportunity.

The change to this policy would be in the number of days notice given for termination. It currently states a 12-month notice of termination shall be given. The amendment would change it a 90-day notice.

Dr. Pjning, the SBHE Faculty Representative, indicated the faculty strongly oppose the change to the policy.

Board members discussed the change would give the Presidents the flexibility to address their budget allotments and the decreased funding to their budgets for the next biennium.

The system office clarified the policy change sets a minimum of 90-days notice of termination. It does not restrict Presidents from giving a longer notice.

Committee members noted that it is a good possibility there will be an extension on tuition caps and every resource to assist campuses in budget cuts must be reviewed to allow more flexibility.

The Committee confirmed this policy change will be vetted through all councils and committees before any final decisions were made at the full Board level. The Committee does not have a recommendation for the full Board at this point and looks forward to further discussions.

**Future Agenda Items**
Board member Hacker requested the system office start collecting data on the following:
- Administrative Cost Caps per Tier
- Student Credit Hour per FTE Faculty
- Shared Services and Consolodation Update
  - Payroll
  - Accounting services
  - Procurement
He indicated those are some areas that need to be reviewed for cost savings. Committee members agreed that everything is on the table for consideration in additional savings.

Tammy Dolan noted that currently the Vice Presidents of finance from each campus are filling out a survey to determine a start point and to be more aware of what the financial impact may be with sharing or consolidation of services.

**Business**

4. MiSU requests to proceed with the following projects:
   a) Renovation of the lower level of the Gordon B. Olson Library to create the North West Art Center at a cost of $1,400,000 using donated private funds.
   b) increased authority for completion of the inflatable bubble project from $384,000 to $634,000 using donated private funds.
   c) Increased authority for the Facility Building from $2,376,000 to $2,626,000 using local indirect cost recovery revenue generated from sponsored grants and contracts.

Further authorize MiSU to seek legislative approval, either through an amendment to the NDUS appropriation bill or through separate, sponsored legislation.

Hacker moved, Reichert seconded, to approve the Budget and Finance item, #4.

Reichert, Hacker, and Stemen voted yes.

5. Request to ratify interim Chancellor approval to authorize NDSU to proceed with a fundraising campaign through the NDSU Foundation and Alumni Association for an amount up to $1.5 million for the construction of a seed cleaning facility/seed cleaning equipment to be located at the North Central REC in Minot, ND. Subsequent authorization to proceed with the project will be requested once funding is in hand.

Hacker moved, Reichert seconded, to approve the Budget and Finance item, #5.

Reichert, Hacker, and Stemen voted yes.

6. NDSU requests to proceed with the low rise lavatories renovation project in Johnson Hall (first stack), Phase VI at an estimated cost of $1,100,000 to be funded from auxiliary local funds.

Hacker moved, Reichert seconded, to approve the Budget and Finance item, #6.

Hacker, Reichert, and Stemen voted yes.
7. NDSU requests to proceed with the Reconstruction of the MO and BU Parking Lots and Partial Reconstruction of the AE and T1/L Parking Lots at an estimated cost of $1,200,000 to be funded from Parking local funds.

Hacker moved, Reichert seconded, to approve the Budget and Finance item, #7.

Hacker, Reichert, and Stemen voted yes.

The meeting adjourned at 11:15 a.m. CT.

Approved February 14, 2017.