The State Board of Higher Education Budget and Finance Committee met via Teams/conf. call on March 22nd, at 2:30 p.m. CT.

Chair Mihalick called the meeting to order at 2:30 p.m. CT.

SBHE Budget and Finance Committee members participating:
  - Mr. Tim Mihalick, Chair
  - Mr. Nick Hacker
  - Mr. Jeffry Volk
  - Ms. Retha Mattern, non-voting advisor

Other participants:
  - Chancellor Hagerott
  - Mr. David Krebsbach, NDUS
  - Ms. Sonya Koble, BSC
  - Ms. Joann Kitchens, LRSC
  - Mr. Steve Benson, MaSU
  - Mr. Brent Winiger, MiSU
  - Mr. Jed Shivers, UND
  - Mr. Bruce Bollinger, NDSU
  - Ms. Brenda Zastoupil, NDUS
  - President Darling, LRSC
  - Mr. David Krebsbach, NDUS
  - Mr. Thomas Claeyts, State Forester
  - Mr. Rick Tonder, NDUS
  - President Hirning, WSC
  - Ms. Karin Hegstad, NDSU
  - President Shirley, MiSU
  - Mr. Eric Olson, AG Office

1. **Agenda**
   Hacker moved, Volk seconded, to approve the agenda.

   Volck, Hacker, and Mihalick voted yes.

2. **Meeting Minutes**
   Volk moved, Hacker seconded, to approve the February 15, 2022, meeting minutes, as presented.

   Volck, Hacker, and Mihalick voted yes.

3. **Policy 812, Legal Representation**
   Mr. Eric Olson reviewed proposed amendments to Policy 812, Legal Representation. The committee raised concerns that SBHE policies, including Policy 812, causes boundaries for decision makers. The committee discussed the terminology used is unclear, campus leadership
should have authority to hire legal counsel that is best for their campus needs. to make and would like additional time for Mr. Olson to reach out to campuses.

Mr. Olson explained that the intent of Policy 812 is to set a procedure that requires documentation in advance of hiring out of state legal counsel. In the past, the cost for outside counsel has been questioned by legislators and others and why North Dakota attorneys are not being utilized. The policy did go through the NDUS Councils, however, if more input is needed it can be recirculated.

The committee noted that legal costs are extremely difficult to predetermine; legal counsel is usually paid by the hour and there is not a way to determine how many hours a specific project is going to need. They discussed the current process, if documentation is already required and to what extent, and the need for more time to review the process.

Volk moved, Hacker seconded, to table Policy 812.

Hacker, Volk, and Mihalick voted yes.

4. **Presidential Compensation Procurement**
   Mr. Eric Olson provided an update on Presidential Compensation Procurement. He explained that an IFP is awarded solely on the lowest bid, however, an RFP can be awarded based on contract needs/requirements, with a more substantive evaluation of bids. He noted that switching from an IFP to an RFP would not take much additional time, given that the information was already present for the IFB. As requested by the committee, the Chancellor and system office staff have been removed from the attached document and some additional language that clarifies the data that is requested. Committee members confirmed that the reports will be specific to research institutions and the other nine institutions based on their specifics. They discussed having one or two committee members serve on the RFP evaluation team when the bids are received. Member Hacker cautioned that creating another sub-committee because it will require open records to be followed. Mr. Olson explained that the only requirement is to notice a meeting and then go into executive session to discuss.

Members Volk and Hacker agreed to be on the evaluation team.

Hacker moved, Volk seconded, to approve moving forward with an RFP for presidential salary study.

Hacker, Volk, and Mihalick voted yes.

Mr. Krebsbach provided information on items five and six, regarding capital building funds:

5. **DSU Tier II and Tier III Capital Building Funds Transfer**
   DSU - Ratify Chancellor’s approval of the transfer of $268,862, $500,000, and $500,000, respectively, of NDUS System Office Tier II and Tier III carryover capital building funds to the DSU capital building fund appropriation line.

6. **MiSU Tier II and Tier III Capital Building Funds Transfer**
   MiSU - Ratify Chancellor’s approval of the transfer of $572,801 and $500,000, respectively, of NDUS System Office Tier II and Tier III carryover capital building funds to the MiSU capital building fund appropriation line.

Volk moved, Hacker seconded, to recommend approval to ratify Chancellor Hagerott’s approval for MiSU and DSU’s request for tier II and tier III capital building funds transfer.
Volk, Hacker, and Mihalick voted yes.

7. **2022-23 Tuition Rate Change Request**
   Ms. Jaimie Wilke reviewed the proposed 2022-23 tuition rate change.

   Hacker moved, Volk seconded, to recommend approval of the proposed 2022-23 tuition rate change, as presented.

   Volk, Hacker, and Mihalick voted yes.

8. **2022-23 Room, Board and Fee Rates**
   Ms. Jamie Wilke reviewed the proposed 2022-23 Room, Board and Fee Rates.

   Volk moved, Hacker seconded, to recommend approval of the proposed 2022-23 room, board, and fees, as presented.

   Hacker, Volk, and Mihalick voted yes.

**Committee Discussion/Reports/Informational**

9. **Mid-Year Budget Report** presented by Ms. Jamie Wilke.
   - **Leases Report** as of 12/31/2021


11. **Institution Facility Master Plans** – As informational only, the plans will be on April agenda for consideration.
    
    | BSC  | DSU    | NDSU – NDSU Forest Service |
    |------|--------|-----------------------------|
    | DCB  | MaSU   | UND                         |
    | LRSC | MISU   |                             |
    | NDSCS| VSCU   |                             |
    | WSC  |        |                             |

12. **Strategic Priorities** for SBHE Retreat reviewed by Mr. Jerry Rostad.


The meeting adjourned at 4:00 p.m. CT.

Approved April 18, 2022.