

North Dakota State Board of Higher Education

June 27, 2023, Meeting Minutes

The State Board of Higher Education met on Tuesday, June 27, 2023, at 8:00 a.m. CDT., at Valley City State University, Center for the Arts Auditorium, 320 Viking Drive, Valley City, ND, 58072.

Chair Ryan called the meeting to order at 8:00 a.m. CT.

SBHE Members participating:

Dr. Casey Ryan, Chair

Ms. Danita Bye

Ms. Sadie Hanson

Mr. Kevin Black

Mr. Michael Linnell, Staff Advisor

Mr. Tim Mihalick, Vice Chair

Mr. Jeffry Volk

Mr. Nick Hacker

Dr. John Warford

Dr. Lisa Montplaisir, Faculty Advisor

Chancellor present: Dr. Mark Hagerott

Institution Representatives Present:

Dr. David Cook, President, NDSU

Dr. Steve Shirley, President, MiSU

Dr. Bernell Hirning, President, WSC

Dr. Carmen Simone, Dean, DCB

Dr. Doug Darling, President, LRSC

Dr. Rod Flanigan, President, NDSCS

Dr. Doug Jensen, President, BSC

Mr. Steve Easton, J.D., President and Ms. Laura Fetting, DSU

Dr. Andy Armacost, President and Mr. Mike Pierper, UND

Dr. Alan LaFave, President, VCSU

Dr. Bernell Hirning, President, WSC

NDUS Senior Staff Participating:

Ms. Lisa Johnson, NDUS

Mr. Darin King, CTS

Ms. Terry Meyer, NDUS

Ms. Kristie Hetzler, NDUS

Mr. Jerry Rostad, NDUS

Ms. Tammy Dolan, NDUS

Mr. Chris Pieske, NDUS

Ms. Dina Cashman, NDUS

Mr. David Krebsbach, NDUS

Ms. Jane Grinde, NDUS

Dr. Jen Weber, NDUS

Others Participating:

Ms. Mary Kay Kelsch, AG's Office

President LaFave and Dr. Jamie Wirth provided a campus welcome and presentation on Math Pathways and VCSU IN-STEM Summer Camps.

1. **Agenda**

Chair Ryan called for any requests for amendments to the agenda, including the consent agenda.

Mr. Hacker requested that item 8 from the consent agenda be pulled and acted on as an individual item, following item 22 on the agenda. The Board had no concerns.

Mr. Volk requested a discussion item regarding an uncompleted data request be added to the agenda. Chair Ryan expressed concerns with the late addition and noted most Board members are not familiar with the background, but as Chair he agreed to add it to the agenda contingent on a roll call vote to have it added. He stated that he does not support the addition due to the timing and the absence of any documentation for other Board members to be prepared to discuss.

Mr. Volk moved, Black seconded, to approve the agenda with the additional discussion item on accessing enrollment data.

The Board had further discussion and clarification on what the specific motion entails.

Chair Ryan provided some background information prior to the vote; he explained that the system office was in full legislative mode, preparing information and data for the upcoming legislative session. Around the same time, member Volk was also requesting multiple records, reports, and data sets from the system office, more specifically, enrollment data. Dr. Weber from the system office provided Member Volk the data; member Volk followed up with requests for additional student enrollment demographic data to be pulled and aggregated into earlier provided datasets, which was determined to take a substantial amount of time to fulfill. Board Chair, Chancellor Hagerott, and system office staff had discussions on how they should prioritize requests from legislators, K12, and individual Board members. Chair Ryan stated he communicated to other Board members that he would like to them to contact him directly to discuss any substantive information requests made to the system office during legislative session, outside of what is already available. He stated that to date he had not received any requests; however, the system office continued to receive requests from member Volk. Chair Ryan further explained that his decision was to simply assist in managing and prioritizing what and where the Board's administrative office should focus, and it needs to be on what the legislators need to make decision that will affect the entire system.

Mr. Volk explained that the initial request was approximately six months ago after he had reviewed an enrollment report provided by Dr. Weber. That report was broken into specific categories and by institution. His follow-up request was to have the data broken down by full time equivalent, then, full time and part time students and by institutions. He further requested the number of graduate and undergraduate students by institution, and lastly graduation rates by institution.

Chair Ryan called for a roll call vote and explained a yes vote is to add Mr. Volk's discussion on accessing enrollment data, a no vote is to reject the addition to today's agenda but can be added to a future meeting agenda.

Volk, Bye, Warford, Hanson, and Mihalick voted yes. Hacker and Ryan voted no.

Motion passed 6 – 2.

2. Open Meeting and Records Training

Ms. Mary Kae Kelsch, Attorney General's Office provided training to the Board members on open meetings and records.

Mr. Volk inquired if there are laws in place for records retention and Ms. Kelsch confirmed that state agencies are required to follow records retention that are set by the Office of Management and Budget (OMB), including the University System. Additionally, each agency should have their own policy that aligns with the requirements set by OMB.

3. Envision 2035 follow-up

Chancellor Hagerott and Vice Chancellor Rostad provided additional information on Envision 2035:

- Drivers of change.
- Study Group Topics.
- Timeline.

Mr. Volk expressed concerns that subject matters that legislators have expressed interest in, such as, but not limited to, and not listed in a specific order, should be the Board's focus and he does not see how Envision 2035 has incorporated the following subjects:

- Funding formula
- Capital project prioritization
- Facilities and infrastructure maintenance and repairs
- Program duplication
- Enrollment trends, including neighboring state funding changes
- Tenure
- Dual Credit
- NDUS workforce challenges

The Board discussed and several Board members concluded that Envision 2035 does contain components of the items Mr. Volk listed. They further indicated that work has already begun on several of the items, such as, member Warford's working group on Innovative Recruitment and Enrollment Strategies, which is an agenda item 37.

SBHE Executive Assistant requested additional time to review and finalize the May 22 and 23rd, meeting minutes; the Board members had no concerns.

Board Consent (4 - 13)

4. April 27, 2023, Meeting Minutes

~~5. May 22 Retreat and May 23, 2023 Meeting Minutes~~ Removed from consent and tabled until the next SBHE meeting.

SBHE Budget and Finance Committee

6. NDSCS - Ratify Chancellor's approval of the transfer of \$500,695 and \$263,167, respectively, from the NDUS System Office Tier II and Tier III capital building fund appropriation line to the NDSCS capital building fund appropriation line.

7. SBHE & System Office FY24 & FY25 Operating Budget & Campus Assessments

~~8. FY24 Salary Ranges for Vice Chancellors and Senior Officers~~ moved to individual action item.

SBHE Audit Committee

9. FY24 NDUS internal audit plan
10. NDUS Internal Audit Purpose and Mission
11. 2023 Annual Independence Confirmations:
 - a. Internal Audit
 - b. Compliance
12. Internal Audit 2025 Biennium Budget

SBHE Research and Governance Committee

13. Guidelines for the Economic Diversification Research Grants

Bye moved, Warford seconded, to approve the consent agenda, items 4, 6, 7, and 9 – 13; item 5 will be put on the next full Board meeting agenda and item 8 will be moved a stand-alone action item on this agenda.

Warford, Hacker, Black, Volk, Bye, Hanson, Mihalick, and Ryan voted yes. Motion passed.

14. **1st Reading, SBHE Policy 100.6, Authority & Responsibility of the State Board of Higher Education**

Vice Chancellor Rostad reviewed proposed amendments to SBHE Policy 100.6, Authority & Responsibility of the State Board of Higher Education. The SBHE Research and Governance Committee confirmed at their June meeting that there were no additional edits.

Bye moved, Warford seconded, to approve 1st reading of Policy 100.6.

Hacker, Warford, Black, Volk, Bye, Hanson, Mihalick, and Ryan voted yes. Motion passed.

15. **1st Reading, SBHE Policy 302.2 Audit Committee Charter**

Ms. Cashman reviewed the proposed amendments to SBHE Policy 302.2, Audit Committee Charter; it defines and outlines the SBHE Audit Committee organization, structure, and responsibilities.

Mihalick moved, Black seconded, to approve 1st reading of Policy 302.2.

Hacker, Warford, Black, Volk, Bye, Hanson, Mihalick, and Ryan voted yes.

16. **1st Reading, SBHE Policy 306.2 Internal Audit Charter – Part A only**

Ms. Cashman reviewed proposed amendments to SBHE Policy 306.2, Internal Audit Charter (Part A). She reiterated that the request to approve first reading is specific to Part A only. She explained that the policy has been split into two separate parts; Part B is for the institutions that employ their own internal auditors and still being discussed by the Audit Committee.

Bye moved, Hacker seconded, to approve 1st reading of Policy 306.2, Part A only.

Volk, Bye, Hanson, Warford, Mihalick, Hacker, Black, and Ryan voted yes. Motion passed.

17. **2nd Reading, SBHE Policy 311, Public Records**

Vice Chancellor Rostad reviewed and explained that the proposed amendments were made to comply with current and newly passed legislation.

Hanson moved, Bye seconded, to approve 2nd Reading and final adoption of Policy 311.

Volk, Bye, Hanson, Warford, Mihalick, Hacker, Black, and Ryan voted yes. Motion passed.

18. Minnesota Reciprocity MOU 2023-24

Vice Chancellor Krebsbach explained that the review and approval request for Reciprocity Agreement/Memorandum of Understanding (MOU) with Minnesota is completed annually.

After discussion, the Board noted that specific components such as, tuition rates and/or or tuition models will be a subject matter at the Envision 2035 session in October/November.

Bye moved, Hanson seconded, to approve the Minnesota Reciprocity MOU for 2023-2024.

Volk, Bye, Hanson, Warford, Mihalick, Hacker, Black, and Ryan voted yes. Motion passed.

19. Executive Session – Chancellor Contract (9:42 a.m. CT.)

Mihalick moved, Bye seconded, to enter Executive Session to (1) consider the appointment, re-appointment, renewal contract, and any new contract terms for NDUS Chancellor and (2) limit the executive session to voting board members, nonvoting advisers, Chancellor, selected NDUS Office Staff, and board counsel. The legal authority for closing this portion of the meeting is North Dakota Century Code section 15-10-17(1)(d).

Volk moved to include incoming Board member, Mr. Curtis Biller, to participate in the executive session. Motion died due to lack of a second.

Roll call on original motion made by Mihalick, seconded by Bye to move into executive session with participants as presented.

Bye, Hanson, Warford, Mihalick, Hacker, Black, and Ryan voted yes. Volk voted no. Motion passed.

Chair Ryan called for a break.

Executive session began at 9:54 a.m. CT.

SBHE Participants:

Dr. Casey Ryan, Chair

Ms. Danita Bye

Ms. Sadie Hanson

Mr. Kevin Black

Mr. Michael Linnell, Staff Advisor

Others:

Chancellor Hagerott, NDUS

Ms. Terry Meyer, NDUS

Ms. Kristie Hetzler, NDUS

Mr. David Krebsbach, NDUS

Mr. Jerry Rostad, NDUS

Ms. Mary Kay Kelsch, AG's Office

Mr. Tim Mihalick, Vice Chair

Mr. Jeffry Volk

Mr. Nick Hacker

Dr. John Warford

Dr. Lisa Montplaisir, Faculty Advisor

Executive session adjourned at 11:30 a.m. CT.

Reconvened in open meeting at 11:45 a.m. CT.

20. Reconvene in open meeting to take action regarding the appointment, reappointment, renewal contracts, and any new contract terms for NDUS Chancellor.

Mihalick moved, Warford seconded, to approve renewal of Chancellor Hagerott's contract for 2023 - 2025, with a six percent salary increase.

Hacker, Warford, Black, Bye, Hanson, Mihalick, and Ryan voted yes. Volk voted no. Motion passed 7 - 1.

Chair Ryan called for lunch break.

Reconvened in open meeting at 12:30 p.m. CT.

21. Executive Session – Presidential Contracts (12:30 p.m. CT)

Warford moved, Mihalick seconded, to enter Executive Session to (1) consider the appointment, re-appointment, renewal contracts, and any new contract terms for Presidents of NDUS institutions and (2) limit the executive session to voting board members, nonvoting advisers, Chancellor, selected NDUS Office Staff, and board counsel. The legal authority for closing this portion of the meeting is North Dakota Century Code section 15-10-17(1)(d).

Executive session began at 12:45 p.m. CT.

SBHE Participants:

Dr. Casey Ryan, Chair

Ms. Danita Bye

Ms. Sadie Hanson

Mr. Kevin Black

Mr. Michael Linnell, Staff Advisor

Mr. Tim Mihalick, Vice Chair

Mr. Jeffry Volk

Mr. Nick Hacker

Dr. John Warford

Dr. Lisa Montplaisir, Faculty Advisor

Others:

Chancellor Hagerott, NDUS

Ms. Terry Meyer, NDUS

Ms. Kristie Hetzler, NDUS

Ms. Lisa Johnson, NDUS

Mr. David Krebsbach, NDUS

Mr. Jerry Rostad, NDUS

Mary Kay Kelsch, AG's Office

Executive session adjourned at 1:30 p.m. CT.

Executive session reconvened at 1:45 p.m. CT.

22. Reconvene in Open Meeting to take action regarding the appointment, reappointment, renewal contracts, and any new contract terms for Presidents of NDUS institutions.

Mihalick moved, Volk seconded, to approve the renewal contracts for Presidents Jensen, Easton, Darling, Van Horn, Shirley, LaFave, Hirning, and Armacost. Presidents Cook and Flanigan will receive a letter stating their salary effective July 1, 2023. All presidents, including Presidents Cook and Flanigan, received a six percent salary increase.

Hacker, Warford, Black, Volk, Bye, Hanson, Mihalick, and Ryan voted yes.

Item 8 pulled from the consent agenda - FY24 Salary Ranges for Vice Chancellors and Senior Officers

Member Hacker stated that many of the NDUS Presidents are not being paid market salaries and the Board has been discussing for the past couple years. He stated the Board has approved Association of Governing Boards (AGB) to analyze the NDUS President's compensation, compared to similar peer institutions, and provide current information on presidential market salaries. He expressed concerns that the compensation study has not begun yet and would like insurance that it will take place without further delay. He also stated that he believes all system leadership is deserving of these types of adjustments and it is not his intention to remove the equity adjustment, his motion is to promote the market study and to pay the NDUS Presidents appropriately and fairly.

Hacker moved, Volk seconded, to move to approve the FY24 Salary Ranges for Vice Chancellors and Senior Officers, contingent on the following:

The NDUS Presidents will have their compensation analyzed by the Board, and adjusted as determined by the Board, no later than 60 days after the close of the AGB presidential compensation study, but no later than one year from today. Further, if it does not occur within the required timeframe, the equity adjustments for the NDUSO Vice Chancellors and Chief of Staff be rescinded (equity adjustments only).

Volk, Hanson, Warford, Mihalick, Hacker, and Black voted yes. Bye and Ryan voted no. Motion passed 6 – 2.

Added item on accessing enrollment data

Chancellor Hagerott stated that the system office supports all eleven institutions and the Board, as well as serving other working groups, such as legislation, and there are times when a decision needs to be made on what direction the office staff focuses on. At that current time, the focus had to be on the legislators and providing the data they needed to complete their work in a limited amount of time.

Dr. Weber, NDUS Director of Institutional Research addressed the Board in response to Mr. Volk's requests for enrollment data. She stated that on three separate occasions, two being email, one face-to-face, she had expressed to Mr. Volk that they could discuss options to get the data he was requesting. She explained that this goes back to last fall when she presented the enrollment report/data to the full Board. After the presentation, she received an email from Mr. Volk with a significant list of additional data, approximately eight requests and those were fulfilled. The last request was a larger one that had similarities to a request member Black had requested and she forwarded it to member Volk. That report included ten years' worth of data. A about a day or two later member Volk requested additional data, including differentiating whether the students were full time or part time, graduate or undergraduate, and additionally if Jen could calculate FTE equivalency across all groups. The requests were made during a time when multiple reports needed to be presented prior to legislative session, including enrollment reporting. Dr. Weber expressed concerns with the Chancellor and his executive team and Chair Ryan was brought into those conversations. The concerns were the amount of time it would take, the original report took approximately twelve hours and would have to be reproduced to include the additional components. Dr. Weber did respond via email to member Volk, asking him to identify what it was he was trying to determine she could possibly find an alternative way to provide him the information. Dr. Weber indicated that Member Volk's response to the email was that he was curious. A secondary concern with the request is that if the data is disaggregated into additional fields, the cell counts in the spreadsheet would be so

small that the data could be potentially identifiable. Dr. Weber stated she did reach out to member Volk to express these concerns and his response was that he still wanted the data and made no offers to compromise.

Member Volk stated he doesn't disagree with Dr. Weber, however, he noted that he never put a timeline on his request. The request originated in October, and he understood the delay due to legislative session, but now he would still like to see the data to determine enrollment trends. Chair Ryan asked Dr. Weber if that type of data is available and she stated it currently is in more than one way, it is in the [NDUS dashboards](#) and the Fall Enrollment Report, but not in the format that Member Volk is requested. Chancellor Hagerott offered an option for Board members to visit with the individual campus Presidents on their specific enrollment trends. There are different variables that drive enrollment at each individual campus and a data set is not going to give an accurate summation of what is or has occurred in past years. Member Warford offered to roll the request into his Recruitment and Enrollment working group (agenda item 37); Presidents had no comments, the Board had no concerns with the working group addressing the enrollment data.

23. Grant SBHE Committees Authority to take Final Action in July and August

The Board discussed and determined that incoming Board Chair Mihalick will determine if there is a need for a July and/or August meeting. The meetings will remain on calendars until further notice.

The following SBHE Committee Reports, updates were provided:

- 24. July 1, 2023 – June 30, 2024, SBHE Committee Assignments by Incoming Chair Mihalick.
- 25. SBHE Academic and Student Affairs Committee by Dr. John Warford.
- 26. SBHE Research and Governance Committee by Dr. Casey Ryan/Ms. Danita Bye.
- 27. SBHE Budget and Finance Committee by Mr. Tim Mihalick.
- 28. SBHE Audit Committee by Mr. Nick Hacker.
- 29. Efficiency and Opportunities Ad Hoc Committee by Mr. Nick Hacker.
- 30. Post-Tenure Ad Hoc Committee by Dr. Casey Ryan/Mr. Tim Mihalick.
- 31. WICHE Report by Ms. Danita Bye.

35. Update on MN North Star Promise free college tuition initiative

UND Vice Provost of Strategic Enrollment Management, Ms. Janelle Kilgore and NDSU Vice Provost for Student Affairs and Enrollment Management, Ms. Laura Oster-Aaland, presented information on the MN North Star Promise free college tuition initiative.

NDSU President Cook and UND President Armacost will be co-leads for a working group and will work towards a plan of action and make recommendations/options to the Board at a future meeting.

36. TikTok

Mr. Darin King provided an update on TikTok; the deadline to complete the blocking of TikTok on NDUS devices is July 1, 2023. The process last week to ensure ample time to test and confirm it is doing what we need it to do without any second or third level order effects. The work with campuses will follow to make sure they have the assistance they need to deal with devices on campuses. Mr. King will address the Board if any issues arise.

37. Innovative Recruitment and Enrollment Strategies Update

Dr. Warford presented an update on a working group that consists of himself and Presidents Van Horn, Jensen, Cook, and LaFave:

- 1. Summarize campus feedback related to enrollment and best practices from SWOT exercise at the Board Retreat on May 22.

2. Assigned Cabinet work group recommendations:
 - o Pursue a marketing/recruitment strategy to attract students with some college and no degree
 - Coordinate a focus group of students with some college and no degree of varying age groups
 - Seek legislative support to attract and re-enroll students during the 2025 legislative session
 - o Develop competency-based learning as an option for select programs of study
 - o Support for the MHEC Credential Engine initiative—digital certificates, badges, and micro credentials/an educational wallet of verified learning experiences
 - o Examine trends in MN and other out-of-state students in NDUS

The following reports were provided to the Board:

38. NDSA by Ms. Sadie Hanson; she announced that she has been re-appointed to the Board for another year by Governor Burgum.
39. CCF – No Report.
40. Staff Senate by Mr. Michael Linnell; he provided the new Staff Senate membership. Mr. Linnell also provided an update on how campuses are handling snow/weather days; the topic was raised due to inconsistencies throughout the various campuses and the new remote working environments. The group will continue to discuss and potentially come back to the Board.
41. Public Comment – No Comment.
42. Present Recognition Plaques – Chair Ryan presented Mr. Nick Hacker with a recognition plaque. Chair Ryan stated that Mr. Hacker has been a mentor, a colleague, and friend for several years. Mr. Hacker has an impressive list of accomplishments through his tenure on the Board, including multiple Presidential searches, serving on almost every Board committee and has been Board Vice Chair and Chair. He successfully led the system through the COVID pandemic.
43. Assessment of Meeting and Future Agenda Items
44. Adjourn

Chair Ryan adjourned the meeting at 4:30 p.m.

Approve September 28, 2023.

Open Records & Open Meetings



Annique M. Lockard
Assistant Attorney General
North Dakota Attorney General's Office

Disclaimer

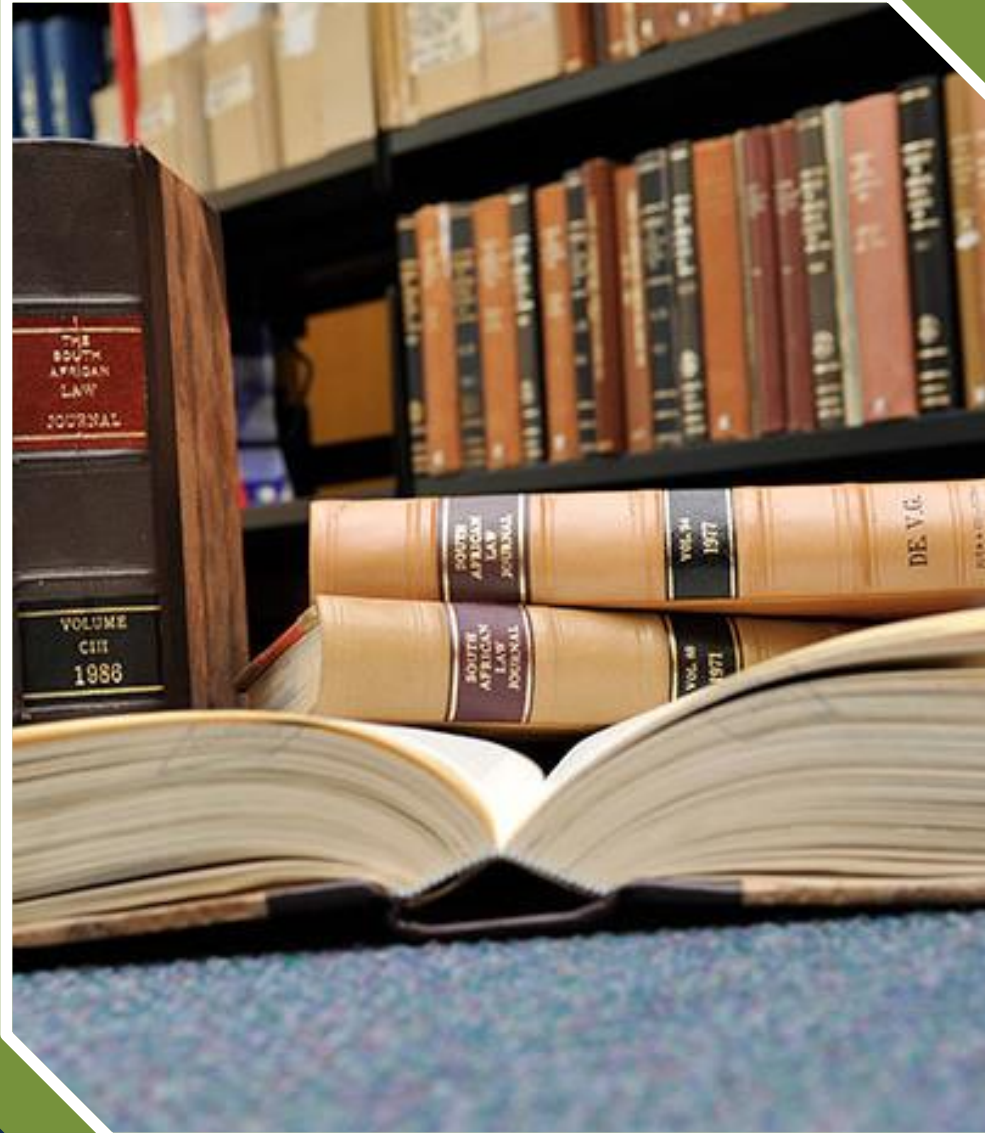
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The information and commentary provided in this presentation and any comments or materials provided are for educational purposes only and should not be considered legal advice.

Please consult with your public entity's attorney for legal counsel as needed.

Presentation Goals

- Identify key definitions applicable to open record and open meeting laws.
- Explain the proper protocol for responding to open record requests.
- Provide 2023 legislative updates.
- Describe how to properly post notice of regular and special meetings.
- Explain the reasons for, and how to properly enter, an executive session.
- Review the Attorney General's opinion process and potential penalties for open record and open meeting violations.



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Open Records & Open Meetings

Primary Sources

- ND Constitution Article 11
- N.D.C.C. Chapter 44-04

Secondary Sources

- North Dakota Attorney General Opinions
- North Dakota Supreme Courts Cases



Open Records

Open Records Basics

What is covered by open record laws?

- All **records** +
- In the possession of a **public entity** +
- Regarding **public business**

are **Open Records**.

Open Records Basics

What is a Record?

- **Recorded information** of any kind, regardless of the physical form or characteristic by which the information is stored, recorded, or reproduced . . .

Open Records Basics

What is Public Business?

- **All matters** that relate or may foreseeably relate in any way to . . . The performance of the public entity's governmental functions, including any matter over which the public entity has **supervision**, control, jurisdiction, or **advisory power**; or...the public entity's **use of public funds**.

Open Records Basics

There must be a law that specifically says the record is protected.

- The law will typically say the record is:
 - “*not subject to Article XI of the North Dakota Constitution,*”
 - “*not an open record,*”
 - “**exempt,**” or
 - “**confidential.**”

Open Records Basics

Exempt

- May be released.
- Public entity has discretion – needs entity action.
- May be called a “closed” record.
- Not against the law to release an exempt record.

Confidential

- Cannot be released.
- Public entity has no discretion.
- Can only be released pursuant to a statute.
- Class C felony to knowingly release confidential records.

Exempt

- Public employee personal information, including:
 - *Month/Day of Birth;*
 - *Home Address;*
 - *Personal Phone Numbers;*
 - *Photograph;*
 - *DMV and Employee ID Numbers;*
 - *Payroll Deduction Information;*
 - *Dependent/emergency contact information;*
 - *Any credit, debit, or electronic fund transfer card number;*
 - *Any account number at a bank or other financial institution; and*
 - *Type of leave taken, and leave applied for but not yet taken.*
- Internal investigation complaints – for no more than 75 days from the date of the Complaint

Confidential

- Social Security Numbers;
- Computer Passwords; and
- Employee use of Employee Assistance Programs; and
- CHRI Checks performed by BCI.

Examples of Records that are generally open

- Personnel file, including:
 - *Job performance*
 - *Evaluations*
- Business-related e-mails
- Records on personal devices, including:
 - *Cell phones (e-mail, messages, photos)*
 - *Computers (e-mail, documents, etc.)*
- Contracts with a public entity, including:
 - *Prices*
 - *Costs*

Examples of Records that are generally exempt

- Medical records, or a record containing medical information, in possession of a public entity are exempt. (N.D.C.C. § 44-04-18.32)
- Applications (N.D.C.C. § 44-04-18.27)
 - *Applications and any records related to the applications which contain information that could reasonably be used to identify an applicant are exempt. Finalists' information remains open.*
- Active litigation records (N.D.C.C. § 44-04-19.1(12))
 - *Records obtained, compiled, or prepared by a public entity or the attorney representing a public entity for the purpose of litigation, unless the records already have been filed publicly or the litigation is completed, are exempt.*

Vendor Record Examples

- Trade secret, proprietary, commercial, and financial information is confidential – “if it is of a privileged nature.” N.D.C.C § 44-04-18.4(1).
- Economic development records and information may be exempt. N.D.C.C § 44-04-18.4(5).
- Bids received by a public entity in response to an invitation for bids by the public entity are exempt until all of the bids have been received and opened by the public entity. N.D.C.C § 44-04-18.4(6)(a).
- Proposals received by a public entity in response to a request for proposals are exempt records until a notice of intent to award is issued. N.D.C.C § 44-04-18.4(6)(b).
- Records included with any bid or proposal naming and generally describing the entity submitting the proposal are open. N.D.C.C § 44-04-18.4(6)(c).

2023 Open Record Legislative Changes

SB 2343: State Board of Higher Ed.

- Create policy for transparency and communication between board members.
- NDUS and SBHE may not deny a member of the governing body access to a record that is closed or confidential, unless otherwise prohibited by law.
 - *(Amend and create new sections in N.D.C.C. ch. 15-10)*
 - Effective August 1, 2023

Responding to Record Requests

- Every person has the right to inspect or make a request for a public record.
- Generally, entity cannot make a requester fill out a form.
 - *Although you cannot require the initial request in writing either, you can request written (reasonable) clarification.*
 - *Exception – if you need to verify identity to release an otherwise confidential or exempt record.*
- Requester DOES NOT have to give their name or reason for the request.
 - *Exception – to verify identity for confidential or exempt records.*
- You only have to provide one copy of the record, once.

Responding to Record Requests

- You must provide RECORDS – not opinions or explanations.
 - *A request for information is not a request for records.*
- Requests should reasonably identify the record.
 - *Can clarify; do not intimidate.*
 - *Can suggest.*
- You only have to provide records you have in your possession.
 - *However, cannot contract with third party to “hold” your records and then claim not in your “possession.”*

Responding to Record Requests

- You do not have to create new records or put in a new format.
 - *Exceptions:*
 - If requester asks for a paper copy and you only have electronic copy, you must provide paper copy, but can charge in accordance with N.D.C.C. § 44-04-18(2).
 - Text messages – you are not required to provide access to the device.
- You must give a legal reason for any denial of records.
 - *Including if records do not exist.*
- Review and redact for confidential information.
- Communicate with requester – give estimate of time, costs, etc.

Responding to Record Requests

- If records available on the internet, **may refer the requestor to the website.**
- However, if requestor does not have internet access or a computer, will need to provide a paper copy of the record.

Reasonable Time

Several factors used to determine appropriate length of any delay, including:

- Need to consult with attorney if reasonable doubt exists on whether the record is open;
- Excising confidential information;
- Bulk of request and volume of documents reviewed;
- Accessibility of documents; and
- Office staff and availability, workload, balancing of other responsibilities.

If there will be a delay – communicate that to the requester.

Basics of Charging

- May charge up to 25¢ per copy of a size no more than 8x14.
- May charge actual cost of postage, maps, color photos.
- Locating records – first hour free, thereafter \$25/hour.
- Redacting confidential information – first hour free, thereafter \$25/hour.
- May require payment before locating, redacting, making, or mailing the copy.
- 5 or more requests from same requestor w/in 7 days, may treat as one request when computing time to locate/excise records.
- Access is (usually) free!

TO:

FROM:

Re: Your request for records

DATE

You requested records¹:

☐ Pursuant to N.D.C.C. § 44-04-18(4), [available] records responsive to your request are online at:

☐ Attached are [the records you requested] [additional records responsive to your request].

☐ Some information is redacted because it is exempt and/or confidential pursuant to Marsy's Law and/or N.D.C.C. §§ _____

☐ To the extent [requested] [other records] may/do exist, release is prohibited by the provisions of Marsy's law and/or the records are/would be confidential or exempt in entirety, under N.D.C.C. §§ _____

☐ The records you requested cannot be provided because no such records exist OR the requested records are not records of this agency.

☐ The estimated cost for the requested records is calculated as follows:

Actual cost of technology resources \$ _____

_____ pages @ 25¢ per page \$ _____

_____ other copies @ \$ _____ each \$ _____

_____ hours for locating records @ \$25/hr (after the 1st hour) \$ _____

_____ hours for redacting records @ \$25/hr (after the 1st hour) \$ _____

TOTAL: \$ _____

Estimated costs are payable *in advance*. We do not waive estimated costs. After we receive a *cashier's* check/money order for the estimated costs, payable to "_____", we will begin work on your request. We estimate it will take approximately _____ days to complete your request.

☐ If we do not receive [payment] [clarification] from you within ten (10) days from today's date, we will consider your request withdrawn.

☐ Your request did not reasonably identify specific records. We cannot comply with your request without clarification. Please call me at (701) _____.

Template for
Public Entity
Use When
Responding to
an Open
Records
Request



Open Meetings

Open Meetings Basics

What is a Meeting?

- A **quorum** of
- A **governing body**
- Of a **public entity**
- Discussing **public business**

Open Meetings Basics

What is a Quorum?

- **One-half or more of the members** of the governing body, or any smaller number if sufficient for a governing body to transact business on behalf of the public entity.

Reminder

A Meeting can happen...

- By conference call;
- On very short notice;
- Over video conference; or
- At a restaurant

Anywhere a quorum is present.

Open Meeting Exceptions

- Chance or social gatherings where no public business is considered or discussed.
- Emergency operations during a disaster or emergency declared under section 37-17.1-10 or an equivalent ordinance if a quorum of the members of the governing body are present but are not discussing public business as the full governing body or as a task force or working group.
- Attendance at meetings of national, regional, or state associations.
- Training seminars where no public business is discussed.

Committees

Definition of Meetings includes Committees.

- Committee: **Two or more people** acting collectively pursuant to authority delegated to that group by the governing body.
 - *Includes delegation of any public business, including information gathering.*
 - *Applies even if the public business being discussed was not delegated, and **no decision-making authority was granted**, to the committee by the governing body, so long as it relates to the business of the public entity.*

Key questions:

- Did the governing body delegate any sort of authority?
- Is the committee doing something the governing body could do itself?

Reminder

It does not matter...

- If the committee does not have final authority;
- If the committee is just “brainstorming” or “fact-finding;”
- If the committee is only intended to recommend something to the governing body;
- If the subject being discussed is not a subject within the authority delegated to the committee.

...a quorum of a committee is still a meeting.

Two Kinds of Meetings

Regular Meetings

- Set by filing yearly schedule.
 - *Must still create agenda for each meeting.*
- May discuss items not on the agenda at the meeting.
- Agenda should contain all topics known at the time the agenda is drafted, but may contain some boilerplate or catch-all items (i.e. “Committee Reports”).

Special Meetings

- Can **only discuss the items on the published agenda.**
- Agenda must be specific (no “catch-all” entries such as “old business”).

Notice Requirements

What must the Notice say?

- Time, date, and location of the meeting;
- Topics to be discussed;
- Notice of any executive session.
- If a meeting is held electronically, **the information necessary to join the meeting must be in the notice.** (Zoom/Teams link)

The public should be able to read the notice and understand what the governing body is planning to discuss. Do not be vague.

Providing Notice

When should the Notice be provided?

- Notice should be posted “**at the same time as such governing body’s members are notified.**”
 - *Remember: When governing body receives the agenda, the public should see the agenda.*

If it’s a special meeting, and the members know the date of the meeting, but no agenda has been prepared?

- Post notice of date at the same time members know of the date.
- Once agenda is prepared, it should also be posted at the required locations.

Providing Notice

Where must the Notice go?

- Posted at the main office and
- Location of the meeting on the day of the meeting;
- Appropriate central location: County Auditor OR posted on public entity's website; **(2023 Legislative Change: If you have a website, notice must be posted on the website.)**
- Given to anyone who has requested it.

Special meetings – notification must be given to official newspaper. (*Committee meetings are probably special meetings*)

- Remember: **This does not mean it needs to be published.**

Meeting Minutes

Minutes must contain:

- Names of members attending;
- Date and time meeting was called to order and adjourned;
- List of topics discussed;
- Description of each motion made and whether it was seconded (and by whom);
- Results of every vote taken; and
- The vote of each member on every roll call vote (required for all *nonprocedural* votes).

Common Meeting Violations

Using emails or other communication methods where a quorum is involved to discuss public business.

- Permissible
 - *To provide information for members to review before a meeting;*
 - *To set a meeting date.*
- Violations
 - *Hitting “**reply all**” to a permissible communication to hold a discussion or provide an opinion.*
 - *A member sharing thoughts, ideas, or opinions to a quorum of a public entity or a committee, even if no one responds.*
 - *Track changes?*

Common Meeting Violations

- Straw polling (no matter who does the polling)
 - *Calling members prior to the meeting and polling their votes*
- Serial meetings
 - *A series of smaller gatherings, where public business is discussed, which collectively constitute a quorum*



Executive Session

N.D.C.C. § 44-04-19.2



Executive Sessions

Must be specifically authorized by law

- Most common reasons:
 - *Discussing exempt/confidential records,*
 - *Attorney consultation; and*
 - *Negotiation strategy.*
- Most common violation:
 - *Closing meeting to discuss personnel matters!*
 - *Contractual terms and negotiation strategy may be discussed in executive session, but personnel issues cannot.*

Executive Session Basics

Attorney consultation – 2 Ways

1. Advice regarding and in anticipation of reasonably predictable or pending litigation or adversarial administrative proceedings **OR**
 2. To receive attorney's advice and guidance on the legal risks, strengths, and weaknesses of an action of a public entity, which, if held in public, **would have an adverse fiscal effect.**
- Remember: Just because attorney is sitting in does not automatically make it an attorney consultation!

Schmitz v. State Board of Chiropractic Examiners (2022 ND 52)

Facts:

- Dr. Schmitz, a licensed chiropractor, alleged the Board held discussions beyond the scope of attorney consultation during an executive session.
- District Court released parts of the executive session.
- Schmitz appealed.

Holding:

- By a vote of 3-2, the Supreme Court ordered the case back to District Court for release of an additional approximately 18 minutes of the executive session recording.

Schmitz

Following examples found impermissible and ordered to be disclosed:

- An unidentified speaker summarized their thoughts on how the closed session would be conducted and noted that the board members may have questions for the attorney and asked the attorney whether that is an acceptable way to proceed. The majority disclosed that question but protected the board attorney's response.
- A board member's summary and comments on the ALJ's proposed summary judgment order, followed a few seconds later by a question to the board's attorney.
- A response from the executive director to the board member's question for information, indicated she did not have the information, and then asked the board's attorney.
- Board discussion which included a summary of factual information related to the reason for the consultation by a board member.

“Now” – SB 2232

“All statements made by a participant or between participants during an executive session held for the purpose of attorney consultation are exempt if the statements relate to the subject for which attorney consultation was established.”

(Effective August 1, 2023)

Executive Session Basics

Negotiation strategy

- Must relate to strategy or provide instructions to an attorney or other negotiator,
- Regarding a pending claim, litigation, adversarial administrative proceedings, or contracts,
- Which is currently being negotiated or for which negotiation is reasonably likely to occur in the immediate future,
- **AND** must have adverse fiscal effect if the discussion would be held in public.

How to Hold an Executive Session

- Convene in open meeting;
- Announce in open meeting the topics to be discussed and legal authority;
 - *Note: **To discuss confidential information – no motion necessary.** To discuss exempt/closed information - motion to enter executive session.*
- Record the session (**keep for 6 months**);
- Note time of executive session and who attended in minutes;
- Only discuss topics in announcement;
- (usually) Final action in open meeting.



Violations



Violations Basics

- Any interested person may request an attorney general's opinion to review: 1) a written denial of a request for records or 2) a denial of access to a meeting.
 - *Request must be made within 30 days of alleged records violation.
Meetings without notice must be within 90 days of alleged violation.*
- If the attorney general issues a written opinion* concluding that a violation has occurred, the public entity has seven days to correct any other violation.
- If the public entity fails to take the required action within the seven-day period and the person requesting the opinion prevails in a civil action the person must be awarded costs, disbursements, and reasonable attorney's fees in the action and on appeal.
- Attorney General can mandate training for violations of law.

Violations – Civil Penalties

- Violations may be subject of civil action.
- Action must be commenced within 60 days of the date the person knew or should have known of the violation **or** 30 days from issuance of AG opinion – **whichever is later.**
- Court may award \$1,000 or actual damages for intentional or knowing violations – **whichever is greater.**

Violations – Criminal Penalties

- Attorney General can refer a public servant to the state's attorney for multiple violations.
- A public servant who knowingly violates the law is guilty of a class A misdemeanor.

2023 Changes to Remember

- **SB 2232**
 - *Executive Sessions*
 - All attorney consultation statements will be protected.
 - *Notice*
 - If you have a website, must post notice on the website.

References & Resources

- North Dakota Constitution [Article XI General Provisions](#)
- North Dakota Century Code Chapter [44-04](#)
- Attorney General's website: www.attorneygeneral.nd.gov
 - *Open Records & Meetings Laws*
 - Manuals & Guides
 - [Open Records Guide](#)("One pager")
 - [Template for Responding to an Open Records Request](#)
 - [Open Meetings Guide](#) ("One pager")
 - [Sample Form for Closing Executive Sessions](#)
 - [Sample Meeting Notice](#)
 - [Notice Checklist](#)

Questions?

ENVISION **2035**



Meet Maura Schmidt. Her current plan is to graduate from high school in 2035 and pursue a career as a dental hygienist. Certainly, her personal plans could change during the next 12 years. But what about the environment and society around her? What will the world look like when Maura Schmidt's high school class graduates in 2035? What will the job market look like; what skills will she need to master; what will be her possibilities?

Similar questions were asked five years ago by the North Dakota State Board of Higher Education (SBHE) and after considerable research and study, the findings were published in the Envision 2030 report and have since guided the SBHE with its strategic planning process.

A lot has changed in five years.

Currently, we are in the midst of unparalleled times. Run-away inflation has undercut our fiscal security; cultural polarization has fragmented our citizenry; and rapid digitization has impacted business and industry. The challenges confronting North Dakota are tightly connected to North Dakota's higher education system and its role in workforce education and training, research, and helping our businesses build a more diversified economy.

To understand how these complex challenges will shape Maura's future, the North Dakota State Board of Higher Education, the North Dakota University System staff, and members of the 11 campus leadership, faculty, and staff, are embarking on a mission to 'envision' the future possibilities of 2035. We will be seeking insight and consensus from business and industry leaders, government and civic leaders, and NDUS faculty and staff. By listening and gathering data points from the experts, key conclusions will be developed and incorporated into a final Envision 2035 plan that will guide the SBHE strategic planning process.

Drivers of Change:

Both internal and external pressures influence organizational change. 2035 drivers of change include the following:

- Shockwaves (covid, aftermath)
 - Digitization
- Stability (financial, inflation)
- Competitive strategies/counter strategies
- Articulating the value of higher education
 - Human capital
 - People who can think? Critical thinking
 - Development of soft skills
 - Engaged citizens
- Innovations in education

ENVISION 2035

Study Group Topics:

In May 2023, the State Board of Higher Education conducted an Envision 2035 retreat with the NDUS Chancellor's cabinet. Study topics from Envision 2030 were reviewed along with new topics that have emerged in the past five years. The following nine topics of study emerged:

1. **Programs of the future:**
 - 1.1 [Agriculture/SBARE](#)
 - 1.2 [Energy](#)
 - 1.3 [Digital Sciences](#)
 - 1.4 [Healthcare](#)
5. [Student of the future](#)
6. [Teacher of the future](#)
7. [Infrastructure of the future](#)
8. [Human capital of the future](#)
9. [Values of the future](#)

Timeline:

The topics of study and leaders of each topic will be finalized by the SBHE at the June 27th, 2023 board meeting. Business and industry leaders, government and civic leaders, and NDUS faculty and staff will be recruited to participate in one of the topics of study.

The study groups will begin to convene in September, 2023 and will continue to meet through the end of October.

On November 1st, 2023, an Envision 2035 summit will take place in Bismarck and each study group will provide a briefing to the SBHE. After the summit, work will continue on the Envision 2035 report with a first draft ready for the May 2024 SBHE retreat. The report will dovetail with subsequent planning ahead of the 2025 legislative session.

ENVISION

BSC: Jerry here are my selections for the Envision 2035

- Teacher of the Future
- Student of the future
- Energy
- Infrastructure of the future

DCB:

DSU:

LRSC:

MaSU:

MiSU:

NDSCS: I would like to serve on the 'Student of the Future' committee (first choice)

'Human capital of the Future' committee (second choice)

NDSU: Ag

UND:

VCSU:

1. Student of the Future
2. Teacher of the Future
3. Digital Sciences

WSC: energy

Program of the future: Agriculture/SBARE

Areas of focus:	Leaders:	Invited Participants:
<ul style="list-style-type: none">• Workforce development• Precision Ag• Grand Farms• Machine-to-Machine connectivity• Future crops/Food security	<ul style="list-style-type: none">• Jeffry Volk, SBHE• President Dave Cook, NDSU	

Timelines:

Notes and considerations:

Program of the future: Energy

Areas of focus:	Leaders:	Invited Participants:
<ul style="list-style-type: none">• Workforce development• Tech innovation• Hybrid energy technicians• Adaptive energy markets/Energy security	<ul style="list-style-type: none">• Kevin Black, SBHE• President Bernell Hirning, WSC	

Timelines:

Notes and considerations:

Program of the future: Digital Sciences

Areas of focus: <ul style="list-style-type: none">• Workforce development• Tech innovation• Digital Literacy• Digitization & AI	Leaders: <ul style="list-style-type: none">• Curtis Biller, SBHE	Invited Participants:
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Timelines:

Notes and considerations:

Program of the future: Healthcare

Areas of focus:	Leaders:	Invited Participants:
<ul style="list-style-type: none">• Workforce development• Tech innovation• Expanded telehealth• Increased need for elder & rural care	<ul style="list-style-type: none">• Casey Ryan, SBHE	

Timelines:

Notes and considerations:

Student of the future

Areas of focus:	Leaders:	Invited Participants:
<ul style="list-style-type: none">• Recruitment/Retention• Non-traditional• Increasingly more diverse• Attentiveness to soft skills• Stackable Certificates• Coursework while in high school• Flexible modalities of course delivery	<ul style="list-style-type: none">• Sadie Hanson, SBHE	

Timelines:

Notes and considerations:

Teacher of the future

Areas of focus: <ul style="list-style-type: none">• Adaptive to changing educational and workforce needs• Innovative• Competency based education• Consortia style delivery and coordination (ex., DNP)• Shared programs	Leaders: <ul style="list-style-type: none">• Lisa Montplaisir, SBHE	Invited Participants:
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Timelines:

Notes and considerations:

Infrastructure of the future

Areas of focus: <ul style="list-style-type: none">• Physical plant• IT plant• Digital education wallets; micro credentials & badges	Leaders: <ul style="list-style-type: none">• John Warford, SBHE	Invited Participants:
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Timelines:

Notes and considerations:

Human capital of the future

Areas of focus:	Leaders:	Invited Participants:
<ul style="list-style-type: none">• Livable wages• Locality pay• Sustainable productivity (post-tenure review)• Attrition• Retraining to meet emerging jobs/while some jobs cease to exist	<ul style="list-style-type: none">• Tim Mihalick, SBHE• Mike Linnell, SBHE	

Timelines:

Notes and considerations:

Values of the future

Areas of focus: <ul style="list-style-type: none">• Humanities• Liberal arts• Polarization• Civic responsibilities• Autonomous systems• Artificial intelligence• Diversity• Wellness, support services• Healthcare (allied health)	Leaders: <ul style="list-style-type: none">• Danita Bye, SBHE	Invited Participants:
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Timelines:

Notes and considerations:

Summary of Proposed Action SBHE Meeting – June 27, 2023

1. **Issue:** NDSCS has met the matching requirements to access the \$763,862 Tier II and Tier III 2021-23 capital building funds as designated in SB2003, section 6, and is requesting the NDUS System Office transfer the following amount to its capital building fund: \$500,695 Tier II and \$263,167 Tier III.
2. **Proposed motion:** Ratify Chancellor's approval of the transfer of \$500,695 and \$263,167, respectively, from the NDUS System Office Tier II and Tier III capital building fund appropriation line to the NDSCS capital building fund appropriation line.
3. **Background:** SB2003, section 6 provides \$19 million from the strategic investment and improvements fund. Tier II capital building fund pool requires \$1 in matching funds from operations or other sources for each \$1 in state funds. Tier III capital building fund pool requires \$2 in matching funds from operations or other sources for each \$1 in state funds. Carryover capital building funds have the same matching requirements. Funds transferred to an institution must be placed in that institution's capital building fund line item.

NDSCS will use the Tier II and Tier III dollars for deferred maintenance for Hass lab remodel, Walton and Schulz stair treads, parking lot seal coating, college complex roof replacement, Walton bathroom renovation, and projects under \$50,000 including cultural center rigging, diesel shop repairs, office remodel, boiler repairs, floor and painting projects. NDSCS will use appropriated and local reserves; private grant funds; and Coronavirus Relief federal funds from its HVAC replacement project to meet the match requirements.

4. **Financial implications:** The transfer assists NDSCS with deferred maintenance for Hass lab remodel, Walton and Schulz stair treads, parking lot seal coating, college complex roof replacement, Walton bathroom renovation, and projects under \$50,000.
5. **Academic implications:** None.
6. **Legal/policy issues:** None.
7. **Review Process:**
8. **Enclosures:**
9. **Contact person:** David Krebsbach, Vice Chancellor for Administrative Affairs, david.krebsbach@ndus.edu, 701-328-4116; Keith Johnson, Chief Financial Officer, keith.johnson@ndscs.edu, 701-671-2218.
10. **Chancellor's Recommendation:** Chancellor Hagerott recommends approval.

TO: Members, State Board of Higher Education

FROM: David Krebsbach, Vice Chancellor for Administrative Affairs

DATE: June 15, 2023

RE: 2023-25 Biennial Budget for NDUS Office and SBHE

The 2023-2025 (FY24 and FY25) biennial budget (**ATTACHMENT 1**) was developed in accordance with the guidelines approved by the BFC on 5/17/2023. The \$225.3 million proposed budget for the 2023-2025 biennium is a \$48.2 million increase from the 2021-2023 anticipated expenditures. Significant components of the change include:

- +\$9.4 million increase in ND Career Builders and Dual Credit Scholarships;
- +\$8.9 million increase in ND Higher Education Challenge Fund;
- +\$8.8 million increase in Tier II & Tier III Capital Building Fund Pool;
- +7.8 million increase in Core Technology Service for salaries and operating;
- +\$6.1 million Student Financial Assistance Grant program award increases;
- +\$3.5 million increase in Academic & Technical Education Scholarships carryover;
- +\$1.9 million increase in System Governance for salaries and operating;
- +\$0.9 million increase in Professional Student Exchange Program carryover; and
- -\$2.1 million decrease in bond payments for campus buildings.

The 2023-2025 biennial budget is funded with \$159.9 million from the state general fund (including carryover dollars) and \$65.3 million in special and federal funds.

Special funds are comprised of Connect ND fees and campus group billings, which support the CTS budget (\$24.8 M), \$24.0 M of State Investments & Improvements Fund (SIIF) dollars for Tier II and Tier III capital building funds and \$11.9 M (\$8.3 M BND Profits & \$3.6 M carryover BND Profits) in ND Career Builders and Dual Credit Scholarships. Campus group billings (**ATTACHMENT 2**), as well as a small amount of DHHS Vaccination grant carryover funds make up the remaining special fund budget.

This proposal includes approximately \$90,600 budget (**ATTACHMENT 3**) for SBHE operations for each year of the biennium. This budget has been adjusted to better reflect historical actual expenditures. The amount provides for per diem and travel expenses for board members including the student member, staff, and faculty advisors, as well as cost for the SBHE annual retreat, legal counsel travel expenses, and SBHE related operating expenses.

The major components of the budget by funding source are shown on the following page.

System Office and Board Operations

System Governance – The 2023-25 budget anticipates expending the full \$12.5 million 2023-25 appropriation. A 5% operating reserve has been set aside for unanticipated expenditures. The System Governance budget includes the operations of the SBHE, NDUS office, which includes the Audit & Compliance departments. Significant items planned for the biennium include:

- Salaries & benefits comprise 75.4% of the biennial appropriation, leaving about \$1.1M for other operating expenses and an additional \$1.9M appropriated for the purchase and implementation of a financial aid processing system. The budget assumes continuation of all positions and filling the vacant Executive Assistant, Internal Auditor, and a new Academic position.
- In accordance with the budget guidelines, employees are budgeted to receive a general salary increase averaging 6% in FY24 and 4.0% in FY25.
- **SBHE Operating, Per Diem, and Travel (ATTACHMENT 3)** – The proposed 2023-25 budget for SBHE per diem and travel is approximately \$90,600 per year, which reflects expected expenditures with the anticipated automatic reimbursement for virtual meetings. The budget is comprised of:
 - Per diem pay and taxes along with travel expenses for members to attend board, committee and legislative meetings, as well as professional development and conference travel;
 - Travel expenses only for the student member, who receives a tuition and fee waiver during the SBHE service term; and,
 - \$4,500 each for the campuses of the faculty and staff advisors to cover release time, compensation, or other accommodations necessary for time spent on SBHE duties.
 - Additionally, annual retreat costs are budgeted at approximately \$7,500 per year; legal counsel travel reimbursement of approximately \$2,000 per year; and other SBHE meeting operating expenses of \$17,900 per year.

Anticipated Carryover - \$733,000 of general funds is anticipated to be unspent in the 2021-23 biennium and carried forward to 2023-25. The carryover dollars resulted from vacant positions, less for NDIT services, other operating expenses, a budget reserve instituted by the Chancellor, and remaining carryover from the 2019-21 biennium. The remaining carryover from the 2019-21 biennium is approximately \$372,000 of which \$367,000 is to be paid to NDSU per 2023 HB 1003 Section 6.

These **one-time funds** will be utilized when necessary for contracts, studies, and technology needs. The funds may also be used for strategic engagement services or to cover other unanticipated expenses.

Student Grant Programs

Highlights of the individual programs include the following:

State Grant – The ND Legislature appropriated \$29.9 million (an increase of \$6 million from the 2021-23 biennium) for the ND need-based state grant program. Approximately \$520,000 will be carried forward from 2021-23. Grant awards will increase to \$1,375 per semester, or \$917 per quarter (previously \$1,100 per semester, or \$733 per quarter). Students are limited to 8 semesters, or 12 quarters of eligibility based on full-time enrollment. Approximately 6,100 full and part-time students will be funded per year in the 2023-25 biennium.

ND Scholars – Appropriated funds total \$1.8 million for the 2023-25 biennium, the same level as last biennium. This funding and approximately \$430,000 carryover will allow the continuation of all upperclassmen, plus approximately 30 new freshmen per year.

Native American Scholarship – Appropriated funds increased by \$444,677 in the 2023 Legislative session bringing the total appropriated funds to \$1 million and carryover funds total \$4,100 for this scholarship program. The program provides merit or need-based awards not to exceed \$2,000 per academic year to eligible students. The Native American Scholarship Board administers the program and establishes annual award levels. Approximately 250 undergraduate and 20 graduate awards are made each year.

ND Academic/Career & Technical Education/ND Scholarship – Approximately \$18.7 million (\$17.2 million appropriation and \$1.5 M carryover) is available for the 2023-25 biennium; the Legislative Assembly increased this appropriation by \$1 million to cover the growth in expected awards for the program in the 2023-25 biennium.

Students meeting multiple rigorous statutory requirements earn up to a \$6,000 scholarship, which is paid as \$750 per semester or \$500 per quarter or clock-hour term. Students have up to 6 years following high school graduation to use the award. Approximately 5,230 students per year will receive a scholarship payment.

Dual Credit Tuition Scholarship – \$1.5 million was appropriated from Bank of ND profits. This program provides a scholarship of up to \$750 per recipient for post-secondary enrollment. The award is based on completing dual credit coursework from an NDUS institution in high school.

ND Career Builders Scholarship (Skilled Workforce Scholarship Program) - \$5 million (\$3.4 million appropriated from Bank of ND profits in 2023-25 biennium, \$1.6 million carryover from Bank of ND profits continuing from 2021-23 biennium). This program requires private sector donations prior to any state funds being awarded. The maximum award is \$17,000 per recipient under the ND Career Builders Scholarship & Loan Repayment programs. Awards are based upon an individual entering a program that leads to a high-need occupation within ND. Recipients must live and work within ND for at least 3 years following program completion or repay scholarship dollars awarded.

ND Career Builders Loan Repayment (Skilled Workforce Student Loan Repayment Program) - \$5.4 million (\$3.4 million appropriated from Bank of ND profits in 2023-25 biennium, \$2 million carryover from Bank of ND profits continuing from 2021-23 biennium). This program requires private sector donations prior to any state funds being awarded. The maximum award is \$17,000 per recipient under the ND Career Builders Scholarship & Loan Repayment programs. Awards are based upon an individual living within ND and working in a high-need occupation within ND.

Professional Student Exchange Program (PSEP) - The \$3.7 million appropriation and estimated \$1.2 million carry-over will continue to fund current and new students in WICHE, Iowa State, University of MN, and Kansas State. The estimated new slots per year are 7 dentistry, 8 optometry and 12 veterinary medicine, plus continuing students.

Education Incentive Program – Appropriated funding is \$260,000 for the biennium. Of this amount, the doctoral programs at UND and NDSU will each receive \$130,000 to promote doctoral program advancement at these schools.

Tribal Community College Grants – This program provides supplemental grant assistance to tribal colleges in North Dakota for non-beneficiary student enrollment. The 2023-25 appropriation is \$1,400,000, which is \$400,000 increase over the 2021-23 biennium.

System Grant Programs and System Projects

The Legislature appropriated the following funds for 2023-25:

- Veterans assistance grants - \$454,875: The appropriation will be transferred to & expended by NDSU in support of the Veteran's Bound program which serves the NDUS systemwide. Program directives are to provide assistance to veterans enrolled or in the process of enrolling in an institution of higher learning within the state, or an adjacent state with a course exchange agreement. An increase of \$177,000 was appropriated for the 2023-25 biennium to support increasing staffing to 3 full-time equivalent employees, which will expand services across the State.
- ND Higher Education Challenge Fund – \$20,000,000: The 2023-25 appropriation is \$20,000,000 from the general fund, an increase of \$8,850,000. The Challenge Grant is to advance the enhancement of academics, including research, scholarships, technology, endowed chairs, and investments in educational infrastructure. Additionally, the State Board of Agriculture, Research, and Extension (SBARE) was added as an eligible program participant with expanded flexibility to include capital projects.
- Capital Bond Payments - \$11,197,896: This budget is based solely upon estimates provided by the Industrial Commission. Payments cover appropriation bonds issued by the State in prior biennia.
- Established Program to Stimulate Competitive Research (ND EPSCoR)- \$5,685,750: EPSCoR funds are budgeted at 50% per year and used to operate the EPSCoR State Office and to match National Science Foundation grants at UND and NDSU. Funds are transferred to the State Office and expended by the appropriate institution.

- National Aeronautics and Space Administration(NASA) EPSCoR - \$342,000: Funds are budgeted at \$171,000 per year and are used for NASA EPSCoR grants.
- Student Mental Health - \$456,800: This appropriation includes \$284,400 from the general fund and estimated carryover funds of approximately \$172,400 for campus staff training. This program provides after-hours crisis intervention and psychiatric service for students.
- Core Technology Services (CTS) - \$72,006,368: This budget includes \$47,181,209 from the general fund and \$24,825,159 of special fund authority. CTS supports the continued operations of PeopleSoft, ancillary campus systems, learning management systems, security systems and services, document imaging and data center systems for campuses, continued implementation of data analytics, Starfish, Standard Application, Email Consolidation/Archiving, Identity Access Management, and consolidated security services leveraging the relationship with NDITD. 2023-25 expenses are higher due to the Legislative Assembly support for increased IT contract costs, Security Operation Center additional staffing, providing general funds to keep the Connect ND fee at the same rate, and increased salary and benefits of 6% in FY24 and 4% in FY25.
- Shared Campus Services - \$872,181: The appropriation includes \$800,000 from general funds and estimated carryover funds of approximately \$72,181. Approximately \$600,000 is for WICHE & MHEC dues. Funds are also used for Open Educational Resource (OER) development and other shared services.
- Tier II and Tier III Capital Building Fund - \$27.6 million (includes \$3.6M carryover of Tier III funds): Funds will be distributed to the campuses for extraordinary repair, deferred maintenance, and building projects. Institutions must provide one dollar of matching funds for each dollar spent for Tier II and two dollars of matching funds for each dollar spent from Tier III this pool.
- Nursing Education Consortium - \$1,356,000: Supports nursing programs in North Dakota to advance nursing programs at all universities across the state with funding provided for simulator equipment and adequate faculty.
- Dakota Digital Academy - \$500,489: The appropriation includes \$450,000 from general funds and estimated carryover funds of approximately \$50,489 in Federal American Recovery Plan Act (ARPA) funding. Coordinates, expands and enhances educational opportunities in computing and cyber-related sciences throughout NDUS to address anticipated workforce needs in automation, artificial intelligence, identity management and financial tech, among other workforces.
- Economic Diversification Research Grant - \$500,000: Purpose of this grant is to stimulate economic activity across the state through innovation of new technology, concepts, and products to promote job creation and career and wage growth, to enhance health care outcomes, to address loss of revenue and provide experiential learning opportunities for students. The \$500,000 at the System is to be awarded to the nine non-research institutions.

**NORTH DAKOTA UNIVERSITY SYSTEM OFFICE
2023-25 BIENNIAL BUDGET**

					Increase (Decrease) from 2021-23 Expenditures	
	Estimated 2021-23 Expenditures	2023-25 Budget includes estimated carryover	2023-24 Budget	2024-25 Budget	\$ Change from Estimated 2021-23 Expenditures	% Change from Estimated 2021-23 Expenditures
Salary and Fringe Benefits	7,693,581	9,401,392	4,624,186	4,777,207	1,707,812	22.20%
Operations	3,194,837	3,428,553	2,566,757	861,796	233,716	7.32%
Prior Biennium Carry Over	494,759	733,004	550,002	183,002	238,245	48.15%
Total System Governance	11,383,177	13,562,950	7,740,944	5,822,005	2,179,773	19.15%
System Governance Federal Funds	2,807,657	335,171	335,171	-	(2,472,485)	-88.06%
System Governance Special Funds	304,603	184,785	92,237	92,547	(119,818)	-39.34%
System Governance General Funds	8,270,917	13,042,993	7,313,536	5,729,458	4,772,076	57.70%
Student Financial Assistance Grants	24,353,976	30,437,421	15,218,711	15,218,711	6,083,445	24.98%
Scholars Program	1,844,610	2,239,889	1,119,945	1,119,945	395,279	21.43%
ND Indian Scholarship Program	574,269	1,004,151	502,076	502,076	429,882	74.86%
Professional Student Exchange Program	4,032,099	4,876,963	2,438,481	2,438,481	844,863	20.95%
Education Incentive Programs	260,000	260,000	130,000	130,000	-	0.00%
Academic and Technical Education Scholarships	15,178,750	18,677,026	9,338,513	9,338,513	3,498,276	23.05%
Tribal Community College Grants	1,000,000	1,400,000	700,000	700,000	400,000	40.00%
Veterans Assistance Program	277,875	454,875	454,875	-	177,000	63.70%
ND Career Builders - Dual Credit Scholarships*	2,420,463	11,879,537	5,939,768	5,939,768	9,459,074	390.80%
ND Higher Education Challenge Fund	11,150,000	20,000,000	10,000,000	10,000,000	8,850,000	79.37%
Total Student Grants	61,092,042	91,229,862	45,842,368	45,387,493	30,137,819	49.33%
Core Technology Services*	64,158,004	72,006,368	37,847,377	34,158,991	7,848,364	12.23%
EPSCoR	5,685,750	5,685,750	2,842,875	2,842,875	-	0.00%
NASA EPSCoR	342,000	342,000	171,000	171,000	-	0.00%
Student Mental Health	181,440	456,834	228,417	228,417	275,393	151.78%
Shared Campus Services	748,534	872,181	436,090	436,090	123,647	16.52%
Nursing Education Consortium	1,356,000	1,356,000	678,000	678,000	-	0.00%
Dakota Digital Academy	-	500,489	250,245	250,245	500,489	100%
Economic Diversification Research Grants	-	500,000	250,000	250,000	500,000	100%
Capital Assets-Bond Payments	13,329,707	11,197,896	5,598,948	5,598,948	(2,131,811)	-15.99%
Tier II & III Capital Building Fund Pool*	18,777,544	27,557,295	13,778,648	13,778,648	8,779,751	46.76%
Total System Grants & Projects	104,578,979	120,474,812	62,081,599	58,393,213	15,895,833	15.20%
Total Other Appropriation	165,671,022	211,704,674	107,923,967	103,780,706	46,033,652	27.79%
Other Appropriation Federal Funds	207,581	50,489	50,489	-	(157,092)	0.00%
Other Appropriation Special Funds	46,011,573	64,761,991	31,238,559	33,523,432	18,750,418	40.75%
Other Appropriation General Funds	119,451,867	146,892,194	76,634,919	70,257,274	27,440,326	22.97%
Total Appropriation	177,054,198	225,267,624	115,664,912	109,602,712	48,213,425	27.23%
Total Appropriation Federal Funds	3,015,237	385,660	385,660	-	(2,629,577)	-88.1%
Total Appropriation Special Funds	46,316,176	64,946,776	31,330,796	33,615,979	18,630,600	1.4%
Total Appropriation General Funds	127,722,785	159,935,188	83,948,455	75,986,732	32,212,402	25.22%
	177,054,198	225,267,624	115,664,912	109,602,712	50,843,002	26.6%

2023-25 Proposed Campus Assessments

	2021-2023 Estimated Assessments	FY24 Budget	FY25 Budget	2023-25 Budget
Campus Group Billings				
Lightcast Licenses	61,000	30,000	30,000	60,000
Controllers Group- Training	8,512	8,500	8,500	17,000
CUPA HR Subscription	34,166	18,500	18,500	37,000
Title IX Training	-	20,000	20,000	40,000
Total Proposed Assessments	\$ 103,678	\$ 77,000	\$ 77,000	\$ 154,000

SBHE Policy 302.3 requires Budget & Finance Committee approval of proposed campus assessments exceeding \$10,000.

ATTACHMENT 3

Proposed 2023-2025 SBHE Budget					
	Per Diem	Campus Release Funds¹	Travel	Total	
7 SBHE Board Members	\$ 53,956		\$ 42,500	\$	96,456
SBHE Student Member			4,000		4,000
SBHE Staff Advisor		9,000	4,000		13,000
SBHE Faculty Advisor		9,000	4,000		13,000
Total	\$ 53,956	\$ 18,000	\$ 54,500	\$	126,456
Other SBHE Operating Expenses					
Annual Retreat				\$	15,000
Legal Counsel Travel				\$	4,000
SBHE Meeting/Operating Expenses				\$	35,800
Total				\$	181,256

¹Release funds are to cover release time, compensation or other accommodations necessary for time spent on SBHE duties.



Attachment 4: Supplemental Information to NDUSO FY24 & FY25 Annual Budgets

June 15, 2023

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Student Financial Assistance Programs

Student Financial Assistance Program (ND State Grant)

- Need-based grant awarded to undergraduate ND resident students with the highest financial need.
- Application is through the Free Application for Federal Student Aid (FAFSA).
- Must attend a qualifying post-secondary North Dakota institution, unless special services or facilities only offered outside of the state are required.
- Awarded for up to the equivalent of 8 fulltime semesters, or the attainment of a 1st bachelor's degree, whichever occurs first.
- Must maintain satisfactory academic progress at enrolling institution to qualify.
- Maximum grant is \$1,100 per semester or \$733 per quarter. Part-time enrolled student may qualify for a pro-rated award amount down to 1/4 time.
- **Average # awarded per year is 6,100.**
- Award formula excludes other state, institutional or private scholarships or grants.
- 2021-23 projected expenditures: \$24.4 million.
- 2023-25 budget request: Maintain the current funding level of \$23,917,306, based on the maximum award amounts noted above.

ND State Grant					
Biennium	General Fund (GF) Appropriation (post-allotment)	Prior Biennium Carryover	Total Available	Actual or Est. GF Expenditures	Actual or Est. Carryover
2007-09	\$ 5,823,497	\$ 364,300	\$ 6,187,797	\$ 5,634,251	\$ 553,546
2009-11	\$ 19,025,594	\$ 553,546	\$ 19,579,140	\$ 17,358,587	\$ 2,220,553
2011-13	\$ 19,025,594	\$ 2,220,553	\$ 21,246,147	\$ 20,097,526	\$ 1,148,621
2013-15	\$ 21,245,679	\$ 1,148,621	\$ 22,394,300	\$ 18,363,111	\$ 4,031,189
2015-17	\$ 23,886,160	\$ 4,031,189	\$ 27,917,349	\$ 22,120,356	\$ 796,993
*2017-19	\$ 21,917,306	\$ 796,993	\$ 22,714,299	\$ 19,720,372	\$ 2,993,927
**2019-21	\$ 23,917,306	\$ 2,993,927	\$ 26,911,233	\$ 23,454,448	\$ 956,785
2021-23	\$ 23,917,306	\$ 956,785	\$ 24,874,091	\$ 24,400,000	\$ 474,091
2023-25	\$ 23,917,306	\$ 474,091	\$ 24,391,397	\$ 24,391,397	\$ -

*2017 Legislative Assembly directed \$5.0 million carryover to be turned-back at end of 2015-17 biennium.

**The Emergency Commission and Legislative Budget Section approved a transfer to \$2.5 million to the ND Academic & CTE Scholarship to cover shortfall in that program in 2019-21 biennium.

North Dakota Scholars Program

- Premier merit-based scholarship providing full regular (basic) undergraduate tuition scholarships to the top-ranked ND resident high school graduates based on national test scores on the ACT or SAT.
- National test must be taken in the junior year of high school, prior to July 1 preceding the start of the senior year in high school.
- Students ranked in the top 95th percentile of all test-takers in the state are considered for the award (215 in top 95th in 2022 cohort).
- Must attend qualifying post-secondary North Dakota institution unless special services or facilities only offered outside of the state are required.
- Awarded for maximum of 8 semesters or the attainment of a bachelor's degree, whichever occurs first.
- Must enroll as a fulltime student (12 credits) and maintain a 3.50 cumulative grade point average for renewal.
- Retention rates from year-to-year are 87%.
- **Current appropriation provides for approximately 30 new awards per year.**
 - The 6-year period through 2014/15 produced an average of 49 new awards per year. The subsequent 6-year average dropped to 31 new awards per year.
 - Beginning in the 2023-25 biennium, current appropriation will only support 28-29 new Scholars per year.
- 2021-23 projected expenditures: \$1.9 million.
- 2023-25 budget request: Maintain the current funding level of \$1,807,115.

ND Scholars Program					
Biennium	General Fund (GF) Appropriation (post-allotment)	Prior Biennium Carryover	Total Available	Actual or Est. GF Expenditures	Actual or Est. Carryover
2007-09	\$ 1,478,566	\$ 185,018	\$ 1,663,584	\$ 1,320,342	\$ 343,242
2009-11	\$ 2,113,584	\$ 343,242	\$ 2,456,826	\$ 2,060,990	\$ 395,836
2011-13	\$ 2,113,584	\$ 395,836	\$ 2,509,420	\$ 2,282,580	\$ 226,840
2013-15	\$ 2,113,584	\$ 226,840	\$ 2,340,424	\$ 2,157,742	\$ 182,682
2015-17	\$ 2,113,584	\$ 182,682	\$ 2,296,266	\$ 2,029,436	\$ 266,830
2017-19	\$ 1,807,115	\$ 266,830	\$ 2,073,945	\$ 1,694,730	\$ 379,215
2019-21	\$ 1,807,115	\$ 379,215	\$ 2,186,330	\$ 1,716,060	\$ 470,270
2021-23	\$ 1,807,115	\$ 470,270	\$ 2,277,385	\$ 1,850,451	\$ 426,934
2023-25	\$ 1,807,115	\$ 426,934	\$ 2,234,049	\$ 1,970,649	\$ 263,400

ND Academic, ND CTE and North Dakota Scholarships

- Merit-based scholarship providing \$750 per semester or \$500 per quarter or clock-hour scholarship to ND resident students for meeting challenging academic and technical criteria in high school
- The new North Dakota scholarship was created by the 2021 Legislative Assembly. Students graduating in 2022, 2023, or 2024 can qualify via the Academic or CTE scholarship requirements, or the new North Dakota scholarship requirements. Starting with the graduating class of 2025, students can only qualify under the new North Dakota Scholarship requirements.
- Awards capped at \$6,000 over a maximum of six years following high school graduation to undergraduate and graduate/professional students.
- Must maintain a 2.75 grade point average and meet degree-progress requirements during post-secondary enrollment.
- Must be enrolled full time as defined by the institution.
- Must attend an accredited public, private or tribal institution of higher education with a physical presence in this state, including accredited private career schools.
- Approximately 23% of high school seniors qualify. High school graduates are anticipated to grow through 2032, peaking at 10,620 graduates (*Western Interstate Commission for Higher Education, Knocking at the College Door, 10th Edition, 2020.*)
- **The 5-year average # awarded per year (unduplicated) is 5,230.**
- \$2.5 million transferred from the need-based state grant program to cover shortfall in 2019-21 biennium. Anticipating \$1 million shortfall in 2023-25 biennium. Pro-rating awards is not provided for in statute.
- 2021-23 projected expenditures: \$15.8 million.
- 2023-25 budget request: \$17,216,749 includes a \$1 million increase to cover anticipated shortfall.

Academic, CTE and ND Scholarships					
Biennium	General Fund (GF) Appropriation (post-allotment)	Prior Biennium Carryover	Total Available	Actual or Est. GF Expenditures	Actual or Est. Carryover
2009-11	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 1,870,896	\$ 1,129,104
2011-13	\$ 10,000,000	\$ 1,129,104	\$ 11,129,104	\$ 6,970,842	\$ 4,158,262
2013-15	\$ 10,000,000	\$ 4,158,262	\$ 14,158,262	\$ 11,182,609	\$ 2,975,653
2015-17	\$ 13,134,096	\$ 2,975,653	\$ 16,109,749	\$ 12,677,219	\$ 3,432,530
2017-19	\$ 12,016,749	\$ 3,432,530	\$ 15,449,279	\$ 14,705,750	\$ 743,529
**2019-21	\$ 12,016,749	\$ 743,529	\$ 12,760,278	\$ 14,838,000	\$ 422,278
2021-23	\$ 16,216,749	\$ 422,278	\$ 16,639,027	\$ 15,932,524	\$ 706,503
2023-25	\$ 16,216,749	\$ 706,503	\$ 16,923,252	\$ 17,509,610	\$ (586,358)

**The Emergency Commission and Legislative Budget Section approved a transfer to \$2.5 million to the ND Academic & CTE Scholarship to cover shortfall in that program in 2019-21 biennium.

North Dakota Indian Scholarship Program

- Provides merit (3.50 GPA or higher) or need-based (2.00-3.49 GPA) scholarships.
- The statutory maximum award is \$2,000 per academic year to eligible ND resident students.
 - FY 22 maximum awards \$1,130 undergraduate and \$2,000 graduate, based on appropriation level and number of qualifying applications.
- Applications submitted annually to the North Dakota University System (NDUS) with a July 15th priority date.
- Completion of the FAFSA required for need-based award determination.
- Undergraduate, graduate, & professional students may qualify.
- May attend any institution of higher learning, or state career and technical education program within this state.
- Must be enrolled full time (undergraduate 12 credits and graduate 9 credits), except for the final term to graduate.
- **5-year average number of awardees through FY22 is 274.**
- 2021-23 projected expenditures: \$.56 million.
- 2023-25 budget request: Maintain the current funding level of \$555,323.

North Dakota Indian Scholarship					
Biennium	General Fund (GF) Appropriation (post-allotment)	Prior Biennium Carryover	Total Available	Actual or Est. GF Expenditures	Actual or Est. Carryover
2007-09	\$ 380,626	\$ 666	\$ 381,292	\$ 380,117	\$ 1,175
2009-11	\$ 381,292	\$ 1,175	\$ 382,467	\$ 382,250	\$ 217
2011-13	\$ 574,267	\$ 217	\$ 574,484	\$ 556,400	\$ 18,084
2013-15	\$ 649,267	\$ 18,084	\$ 667,351	\$ 666,751	\$ 600
2015-17	\$ 649,267	\$ 600	\$ 649,867	\$ 644,056	\$ 5,811
2017-19	\$ 555,323	\$ 5,811	\$ 561,134	\$ 550,006	\$ 11,128
2019-21	\$ 555,323	\$ 11,128	\$ 566,451	\$ 543,354	\$ 23,097
2021-23	\$ 555,323	\$ 23,097	\$ 578,420	\$ 578,420	\$ -
2023-25	\$ 555,323	\$ -	\$ 555,323	\$ 555,323	\$ -

Dual Credit Tuition Scholarship

- This program was created by the 2021 Legislative Assembly. It rewards college students for taking college coursework for credit as a high school student.
- \$1.5 million Bank of ND funds allotted to the program (one-time funding).
- Must have completed at least one dual credit course provided by an NDUS institution while enrolled in ND high school or a ND program of home education.
- Must have completed at least one semester, quarter, or term at an institution of higher education in the state.
- Must be enrolled at a ND state public, private, tribal, or proprietary institution.
- Maximum award \$750
 - o May not exceed 50% of the cost of the dual credit course(s) taken while in high school.
 - o May not exceed tuition and fees for the semester, quarter, or term the scholarship applies.
- Total awards and pending applications to-date are \$1.43 million to 2,668 students (as of 1/17/2023).
- 2021-23 projected expenditures: \$1.5 million.
- 2023-25 budget request: Maintain the current funding level of \$1.5 million.
 - o ND Career Builders funding level not sufficient to support both the DC Tuition Scholarship and ND Career Builders.

Dual Credit Tuition Scholarship (One-Time Funding)

Biennium	General Fund (GF) Appropriation- BND Funds	Prior Biennium Carryover	Total Available	Actual Exp. And Est. New Awards	Actual or Est. Carryover
2021-23	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -

Skilled Workforce Scholarship and Skilled Workforce Loan Repayment (ND Career Builders)

- Workforce development program designed to attract and retain talent into high-need and emerging occupations in the state.
- \$2.25M scholarship and \$2.25M loan repayment - Bank of ND funds allotted to the program.
- Requires a private sector match dollar-for-dollar to award state funds.
- Eligible recipients may qualify for the scholarship &/or loan repayment, not to exceed a maximum of \$17,000 total (50% private sector funds & 50% state funds)
- Administrative cost allowance provided for marketing (1.5% effective 7/1/21 and 0.05% effective 7/31/23).
- As of 12/22/2022, 269 individuals have been awarded under the program and are either currently working, seeking employment, or enrolled in an eligible program of study.
- Scholarship criteria:
 - Students must be admitted into a qualifying program in the state.
 - Qualifying programs are associate degree or lower credential, including certificates.
 - Requires a cumulative GPA of 2.50 or higher for payment.
 - Student agrees to live in ND and work in a high-need or emerging occupation for 3 years following program completion – Recipient signs a Scholarship Award Agreement.
 - Failing to complete program of study or meet residency/employment guidelines for a minimum of 3 years following program completion will result in student repaying funds to the state.
- Loan Repayment criteria:
 - Applicants hired into a qualifying position in ND within 24 months of application may qualify.
 - Must have an earned degree (any institution) and hold a balance on qualifying student loan(s).
 - Must live in ND and work in ND in a high-need or emerging occupation.
 - Annual award limited to \$5,667, lifetime limit of \$17,000.
 - No repayment provision as recipient earns the award as requirements are met.
- 2021-23 actual expenses and future obligations (state-funded dollars only): \$1.2 million.
- 2023-25 budget request: Maintain the current funding source from the Bank of ND to support workforce development in the state, to include ongoing funding for marketing the program.
 - Assuming a 57% growth rate, estimated combined scholarship and loan repayment balance at the end of the 23-25 biennium is \$5.5 million.

ND Career Builders Scholarship					
Biennium	General Fund (GF) Appropriation-BND Funds	Prior Biennium Carryover	Total Available	Expenses (actual/obligated/new)	Actual or Est. Carryover
2019-21	\$3,000,000	\$-	\$3,000,000	\$194,439	\$2,805,562
2021-23 est.	\$-	\$2,250,000	\$2,250,000	\$708,877	\$1,541,123
2023-25 est.	\$-	\$1,541,123	\$1,541,123	\$1,850,417	\$(309,294)
2025-27 est.	\$-	\$(309,294)			
ND Career Builders Loan Repayment					
Biennium	General Fund (GF) Appropriation-BND Funds	Prior Biennium Carryover	Total Available	Expenses (actual/obligated/new)	Actual or Est. Carryover
2019-21	\$3,000,000	\$-	\$3,000,000	\$27,525	\$2,972,475
2021-23 est.	\$-	\$2,250,000	\$2,250,000	\$295,441	\$1,954,559
2023-25 est.	\$-	\$1,954,559	\$1,954,559	\$1,095,217	\$859,342
2025-27 est.	\$-	\$859,342	\$859,342	\$6,749	\$852,593

²Expenditures reflect only the state funded portion.

³Estimated growth 57%.

Professional Student Exchange Program (PSEP):

- Secures admission opportunities for North Dakota resident students seeking professional training in veterinary medicine, dentistry, or optometry at out-of- state institutions.
 - Western Interstate Commission for Higher Education (WICHE) in the content areas of veterinary medicine, dentistry, and optometry.
 - University of Minnesota in veterinary medicine and dentistry.
 - Iowa State University in veterinary medicine.
 - Kansas State University in veterinary medicine.
- Budgeted new slots per year:
 - Veterinary Medicine (University of MN-2, Iowa State-4, WICHE-1, KSU-5)
 - Optometry (WICHE-8)
 - Dentistry (University of MN-5 and WICHE-2).
- Applications submitted annually to the NDUS by October 15 proceeding the first year of professional studies receive priority consideration.
- Awards support a portion of the student's tuition cost in the professional programs for 4 years.
- 10-year return to ND rates (all sites): Veterinary Medicine 50%; Optometry 45%; Dentistry 52%.
- 2021-23 projected expenditures: \$4.2 million.
- 2023-25 budget request: Maintain current funding level of \$3,699,342.

PSEP					
Biennium	General Fund (GF) & Student Loan Trust Fund Appropriation (post-allotment)	Prior Biennium Carryover	Total Available	Actual or Est. GF Expenditures	Actual or Est. Carryover
2007-09	\$ 2,199,566	\$ 53,564	\$ 2,253,130	\$ 2,008,731	\$ 244,399
2009-11	\$ 2,346,129	\$ 244,399	\$ 2,590,528	\$ 2,147,774	\$ 442,754
2011-13	\$ 2,856,131	\$ 442,754	\$ 3,298,885	\$ 2,647,045	\$ 651,840
2013-15	\$ 3,809,708	\$ 651,840	\$ 4,461,548	\$ 3,910,071	\$ 551,477
2015-17	\$ 3,941,754	\$ 551,477	\$ 4,493,231	\$ 3,719,775	\$ 773,456
2017-19	\$ 3,699,342	\$ 773,456	\$ 4,472,798	\$ 3,439,771	\$ 1,033,027
2019-21	\$ 3,699,342	\$ 1,033,027	\$ 4,732,369	\$ 3,221,991	\$ 1,510,378
2021-23	\$ 3,699,342	\$ 1,510,378	\$ 5,209,720	\$ 4,098,370	\$ 1,111,351
2023-25	\$ 3,699,342	\$ 1,111,351	\$ 4,810,693	\$ 4,806,111	\$ 4,582

Education Incentive Programs

- **Doctoral Graduates Program**
 - UND and NDSU awarded \$130,000 each to promulgate additional doctoral level graduates and doctoral programs within the state.
 - 2023-25 budget request maintains the doctoral program funding of \$260,000.

Program Statistics 2/23/2023	SCHOLARSHIP	LOAN REPAYMENT
# Applicants Awarded & Active	85	86
# Graduated (Scholarship)	117	-
# Lost Eligibility (Loan Repayment)	-	5
# Paid in Full (Loan Repayment)	-	2
# Scholarship Applicants in Repayment (# & \$)	23 in repayment totaling \$89,324; \$33,900 recovered to date	-
Private Sector \$ Received by NDUS (<u>NOT</u> Matched to Students)	\$15,000	\$0
Committed \$ - Private Sector & State Match (Excl. those in scholarship repayment)	\$1,566,280	\$1,358,551
Average Award (Excl. those in scholarship repayment)	\$7,754	\$14,608
# Unique Donors	92	30
Programs Enrolled (Scholarship) (Exclude those in scholarship repayment)	Agriculture or Ag & Technology (Agronomy) (12) Architectural Drafting & Estimating Technology (1) Associate Degree Nurse (1) Auto Body Repair & Refinishing Technology (2) Automotive Technology (5) Building Construction Technology (1) Carpentry Residential (3) Caterpillar Dealer Service (14) CDL (4) Construction Management Technology (1) Culinary Arts (1) Cyber Security & Computer Networks (3) Dental Assisting (1) Diesel Technology (13) Early Childhood Education (1) Electrical Technology (14) EMS-Paramedic EMT Technology (1) Energy Services and Renewable Technician (1) Farm & Ranch Mgmt. / Agribusiness Mgmt. (5) Full Stack Engineering (5) Human Resource & Organizational Leadership (1) Heating, Ventilation & AC/HVAC/R Tech (16) Instrumentation and Control Technology (10) John Deere Ag Tech (5) Land Surveying & Civil Engineering Technology (4) Lineworker (Electrical) (15) Massage Therapy (1) Meat Processing (2) Mechanical Maintenance Technology (6) Medical Billing & Coding (1) Medical Assistant (1) Medical Laboratory Technician (2) Peace Officer (1) Pharmacy Technician (3) Plumbing (2) Power Plant Technology (2) Powersports Technology (1) Practical Nurse/Nursing (9) Precision Machining Technology (1) Process Plant Technology/Process Technology (6) Surgical Technology (3) Web Page Development & Design (1) Welding / Welding Technology (20)	Accountant & Auditor (1) Aircraft Mechanic & Service Technician (1) Bus & Truck Mechanic (1) Cardiovascular Technologist/Technician (2) Career & Tech Ed Teachers (2) Carpenter (1) Childcare Worker (2) Civil Engineer (1) Construction Manager (1) Dental Assistant (1) Diagnostic Medical Sonographer (3) Diesel Technician (1) Electrician (1) Farm Equipment Mechanic & Service Tech (3) Industrial Machinery Mechanic (2) Licensed Practical Nurse (1) Marketing Manager (2) Mechanical Engineer (2) Middle School Teachers (3) Mobile Heavy Equipment Mechanic (6) MRI Technologist (1) Pharmacy Technician (1) Police/Patrol Officer (1) Preschool Teacher (1) Radiologic Technologist (17) Registered Nurse (24) Respiratory Therapist (2) Sales Engineer (1) Secondary School Teacher (1) Teaching Assistant (1) Veterinary Technologist & Technician (1)
-OR- High-Need Occupation Filled (Loan Repayment) (Exclude those who lost eligibility)		

ND Career Builders Private-Sector Contributors
(Donors with funds remitted and/or committed to NDCB)

Aasheim Enterprises, Inc.	Scholarship	Toasted Frog	Scholarship
American Bank Center	Scholarship	True North Equipment	Scholarship
Apex Well Servicing (USA)	Scholarship	TrueNorth Steel	Scholarship
Arthur and Edith Pearson Foundation	Scholarship	Underwood School	Scholarship
BisMan Autoworx	Scholarship	Walsh County Job Development	Scholarship
Blake Marine	Scholarship	Wild Rice Auto Parts	Scholarship
Bosch Lumber Company	Scholarship	Wold Engineering	Scholarship
Brosz Engineering, Inc.	Scholarship	YES LLC, ENETK LLC	Scholarship
Butler Machinery Company	Scholarship	20 Private-Sector Donors - No Release	Scholarship
Carrington Economic Development	Scholarship		
Cavalier Do It Best Lumber	Scholarship	Altru Health System	Loan Repayment
CHS Foundation	Scholarship	Cavalier County Health District	Loan Repayment
Churchill Pharmacy Holding, Inc.	Scholarship	City of Grafton	Loan Repayment
Clark Equipment Company dba Doosan	Scholarship	Executive Air Taxi Corporation	Loan Repayment
Comstock Construction, Inc.	Scholarship	Forward Devils Lake Development Corp.	Loan Repayment
Cottingham Insurance	Scholarship	General Equipment & Supplies, Inc.	Loan Repayment
Crossroads Repair LLC	Scholarship	Golden Valley Veterinary Clinic	Loan Repayment
D & B Motors	Scholarship	Grafton True Value & Lumber	Loan Repayment
Dakota Community Bank & Trust	Scholarship	Heart of America Medical Center	Loan Repayment
Dakota Pharmacy	Scholarship	Houston Engineering, Inc.	Loan Repayment
Dakota Refrigeration	Scholarship	Langdon Community Drug	Loan Repayment
Dale Pahlke	Scholarship	Leading Edge Equipment	Loan Repayment
DMG Inc., dba Malloy Electric	Scholarship	Legacy CPA	Loan Repayment
First Care Health Center	Scholarship	Magnum Electric	Loan Repayment
Fisher Industries	Scholarship	Mowbray & Son Plumbing and Heating,	Loan Repayment
FM Heating and Air, LLC	Scholarship	Nelson County Health System	Loan Repayment
Forward Devils Lake Development	Scholarship	Nelson International dba Nelson Leasing,	Loan Repayment
General Equipment & Supplies	Scholarship	North Valley CTE Technology Center	Loan Repayment
Great River Energy	Scholarship	Pro Mark Services, Inc.	Loan Repayment
Grotberg Electric, Inc.	Scholarship	Rugby Job Development Authority	Loan Repayment
Gusiaas Electric, LLC	Scholarship	Sanford Health – Bismarck	Loan Repayment
H.A. Thompson & Sons	Scholarship	Sanford Health – Fargo	Loan Repayment
Heat Transfer Warehouse	Scholarship	Sanford Medical Center – Fargo	Loan Repayment
Home Heating, Plumbing & AC, Inc.	Scholarship	Stantec Consulting Services, Inc.	Loan Repayment
ICON Architectural Group	Scholarship	True North Equipment	Loan Repayment
Johnston & Sons Electric	Scholarship	Walsh County Job Development	Loan Repayment
Karen Oster-Lloyd Ritchie Memorial	Scholarship	4 Private-Sector Donors – No Release	Loan Repayment
Keller Paving & Landscaping, Inc.	Scholarship		
Korber Medipak Systems NA	Scholarship		
Kountry Kids 4H	Scholarship		
Lake Chevrolet Buick GMC	Scholarship		
Leading Edge Equipment	Scholarship		
LG Homes	Scholarship		
Marathon Petroleum	Scholarship		
Marketplace Motors	Scholarship		
MDU Resources	Scholarship		
Microsoft	Scholarship		
Modern Auto Body	Scholarship		
ND Association of County Engineers	Scholarship		
ND Beef Commission	Scholarship		
ND State Electrical Board	Scholarship		
Nelson County Health System	Scholarship		
NODAK Electric	Scholarship		
North Country Marine	Scholarship		
Otter Tail Power Company Foundation	Scholarship		
Porter Farms	Scholarship		
Sanford Health – Bismarck	Scholarship		
Sanford Health – Jamestown	Scholarship		
Schmitt's Plumbing, Heating &	Scholarship		
Scott's Electric	Scholarship		
Service Tire, Inc.	Scholarship		
Shakti Moon Healing, Wellness, Beauty	Scholarship		
Sheyenne Mechanical	Scholarship		
Titan Machinery	Scholarship		

ND career builders

Scholarship & Loan Repayment

ND Career Builders - High-Need & Emerging Occupations

The High-Need and Emerging Occupations list is used to determine eligibility for the ND Career Builders Scholarship and Loan Repayment programs. The list is reviewed annually by the ND Workforce Development Council (NDWDC) and Job Service ND (JSND). The occupations listed below were approved by NDWDC and JSND in 2020 through 2022. The occupations approved in these years will be used in determining eligibility for ND Career Builders. Occupations designated with a red asterisk (*) will remain eligible for ND Career Builders consideration at least through June 30, 2023. Questions regarding the program? Contact the NDUS at 701-328-2906 or at ndfinaid@ndus.edu

EDUCATION

- Career/Tech Ed Teachers, Secondary School (2022)
- Elementary School Teachers (2022)
- Health Specialties Teachers, Postsecondary (2022)
- Instructional Coordinators (2022)
- Kindergarten Teachers, Except Special Education (2022)
- Librarians & Media Collections Specialists (2022)
- Middle School Teachers, Except Special & Career/Tech Ed (2022)
- Preschool Teachers, Except Special Education (2022)
- Secondary School Teachers (2022)
- Special Education Teachers (KG, Elementary, Secondary School) (2022)
- Teaching Assistants, Except Postsecondary (2022)

ENGINEERING & ARCHITECTURE

- Civil Engineer (2022)
- Civil Engineering Technologists & Technicians (2022)
- Electrical Engineers (2022)
- Mechanical Engineers (2022)
- Electrical & Electronic Engineering Technician (2020)
- Mining & Geological Engineer (2020)
- Petroleum Engineer (2020)
- Transportation Engineer (2020)

FINANCIAL

- Accountant & Auditor (2022)
- Bookkeeping, Accounting & Auditing Clerks (2022)
- Financial Manager (2022)
- Management Analysts (2022)
- Operations Research Analysts (2022)
- Statisticians (2022)
- Tax Preparers (2022)
- Compensation & Benefits Manager (2020)
- Financial Analyst (2020)
- Personal Financial Advisors (2020)

HEALTHCARE

- Athletic Trainers (2022)
- Cardiovascular Technologist & Technician (2022)
- Clinical Laboratory Technologists & Technicians (2022)
- Dental Assistants (2022)
- Dental Hygienists (2022)
- Diagnostic Medical Sonographer (2022)
- Dietitians and Nutritionists (2022)
- Emergency Medical Technicians & Paramedics (2022)
- Massage Therapists (2022)
- Medical Assistants (2022)
- Nuclear Medicine Technologists (2022)
- Nurse-Licensed Practical & Licensed Vocational Nurses (2022)
- Nurse-Registered Nurses (2022)
- Nursing Assistants (2022)
- Occupational Therapists (2022)
- Occupational Therapy Assistants (2022)
- Ophthalmic Medical Technicians (2022)
- Pharmacy Technicians (2022)
- Phlebotomists (2022)
- Physical Therapy Assistants (2022)
- Psychiatric Aides (2022)
- Radiologic Technologists & Technicians (2022)
- Respiratory Therapists (2022)
- Skincare Specialists (2022)

- Surgical Technologists (2022)
- Veterinary Technologists & Technicians (2022)
- Medical Lab Technologist/Technician (2020)
- MRI Technologist (2020)

INFORMATION TECHNOLOGY

- Computer & Information Systems Managers (2022)
- Computer Network Support Specialists (2022)
- Computer Programmers (2022)
- Computer Systems Analysts (2022)
- Computer User Support Specialists (2022)
- Information Security Analysts (2022)
- Intelligence Analysts (2022)
- Software Developers and Software Quality Assurance Analysts and Testers (2022)
- Telecommunications Equipment Installers & Repairers, Except Line Installers (2022)
- Web Developers & Digital Interface Designers (2022)
- Actuaries (2020)
- Clinical Data Manager (2020)
- Database Administrators (2020)

MANAGEMENT

- Construction Manager (2022)
- General & Operations Manager (2022)
- Industrial Production Manager (2022)
- Medical & Health Services Manager (2022)
- Sales Manager (2022)
- Marketing Manager (2020)

PROFESSIONAL / OTHER

- Compliance Officer (2022)
- Human Resources Manager (2022)
- Human Resources Specialist (2022)
- Market Research Analysts and Marketing Specialist (2022)
- Paralegal and Legal Assistant (2022)
- Public Relations Specialist (2022)
- Training & Development Specialist (2022)
- Soil and Plant Scientist (2020)

SALES

- Securities, Commodities & Financial Services Sales Agents (2022)
- Sales Rep.-Wholesale & Manufacturing of Technical & Scientific Products (2022)
- Sales Engineer (2020)

SKILLED TRADE

- Automotive Service Technicians & Mechanics (2022)
- Butchers & Meatcutters (2022)
- Carpenters (2022)
- Chefs & Head Cooks (2022)
- Crane & Tower Operators (2022)
- Diesel Technician:
 - o Bus & Truck Mechanic and Diesel Engine Specialist (2022)
 - o Farm Equipment Mechanic & Service Technician (2022)
 - o Industrial Machinery Mechanic (2022)

- Electrician (2022)
- Firefighter (2022)
- Hairdresser, Hairstylist & Cosmetologists (2022)
- Heating, Air Conditioning & Refrigeration Mechanics, and Installers (HVAC) (2022)
- Machinist (2022)
- Plumber, Pipefitter and Steamfitter (2022)
- Power Plant Operator (2022)
- Precision Agriculture Technician (2022)
- Welder, Cutter, Solderer & Brazer (2022)
- Wind Turbine Service Technician (2022)
- Aircraft Mechanic & Service Technician (2020)
- Bus & Truck Mechanic (2020)
- Construction Building Inspector (2020)
- Electrical Powerline Installer & Repairer (2020)
- Environmental Scientist & Specialist (2020)
- Gas Plant Operator (2020)
- Maintenance & Repair Worker (2020)
- Mobile Heavy Equipment Mechanic (2020)
- Petroleum Pump System Operator, Refinery Operator & Gauger (2020)

SOCIAL SERVICES

- Child, Family & School Social Worker (2022)
- Childcare Worker (2022)
- Community & Social Service Specialist (2022)
- Educational, Guidance & Career Counselors & Advisors (2022)
- Healthcare Social Workers (2022)
- Marriage & Family Therapists (2022)
- Mental Health & Substance Abuse Social Worker (2022)
- Police & Sheriff Patrol Officers (2022)
- Social & Community Service Manager (2022)
- Social & Human Service Assistant (2022)
- Substance Abuse, Behavioral Disorder & Mental Health Counselor (2022)

TRANSPORTATION

- Commercial Pilots (2022)
- Heavy & Tractor-Trailer Truck Drivers (2022)

Updated 8.23.202

Challenge Grant Summary		
	2021-23 Appropriation	2023-25 Appropriation
BSC	\$950,000	\$1,700,000
DCB	350,000	600,000
DSU	700,000	1,100,000
MaSU	700,000	1,100,000
MiSU	950,000	1,700,000
NDSU	1,700,000	2,700,000
NDSU-SBARE		2,200,000
UND	1,700,000	2,700,000
* UND School of Law	250,000	
NDSCS	950,000	1,700,000
LRSC	350,000	600,000
VCSU	700,000	1,100,000
WSC	350,000	600,000
UND SMHS	1,500,000	2,200,000
Grand Total	\$11,150,000	\$20,000,000

* *UND School of Law - \$250,000 included with UND.*

Summary of Outstanding Bond Indebtedness Issued by ND Building Authority for North Dakota University System

Projects Funded	Bond Issue	Bond Maturity Date	Outstanding Principal June 30, 2023	Debt Service General Fund Payment 2023-25	Debt Service Special Fund Payment 2023-25	Debt Service Energy Savings Payment 2023-25
Authorized in 2005*	2005 Series A/2017 Series A	12/1/2023	\$1,183,045	\$975,396	\$0	\$207,649
University of North Dakota Energy Conservation Projects (\$2,331,554)						
North Dakota State University - Hazardous material handling and storage facility (\$3,500,000)						
North Dakota State College of Science - Electrical Distribution (\$736,000)						
Dickinson State University - Murphy Hall (\$4,100,557)						
Minot State University - Bottineau - Thatcher Hall addition (\$2,500,000)						
Authorized in 2019**	2020 Series A	12/1/2040	\$83,175,000	\$10,222,500	\$3,823,875	\$0
Dickinson State University - Pulver Hall (\$4,000,000)						
North Dakota State University - Dunbar Hall (\$40,000,000)						
University of North Dakota - Gamble Hall (\$6,000,000)						
University of North Dakota - Deferred Maintenance (\$30,000,000) - Special Fund						
Valley City State University - Communication & Fine Arts Building (\$30,000,000)						
Total			\$84,358,045	\$11,197,896	\$3,823,875	\$207,649

*The bonds authorized in 2005 included several other State Agencies and NDSU Research Centers the dollars identified in outstanding principle June 30, 2023, debt service general fund payment 2023-25, debt service special fund payment 2023-25, and debt service energy savings payment 2023-25 are the amounts for NDUS institutions only.

**The bonds authorized in 2019 are obligated by the bond agreement to remain until a minimum date of 12/1/2030. Payoff of general fund portion of this bond at 12/1/2030 will be \$55,150,000

State Office Annual Report

FY22

ND EPSCoR State Office
Highlights

Scan the QR code to view the
entire FY 2022 Annual Report
from the ND EPSCoR State Office!



PARTICIPATING
INSTITUTIONS

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NATURE
COMPONENTS

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STEM AT HOME
VIDEOS

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SUNDAY ACADEMY
PARTICIPANTS

221

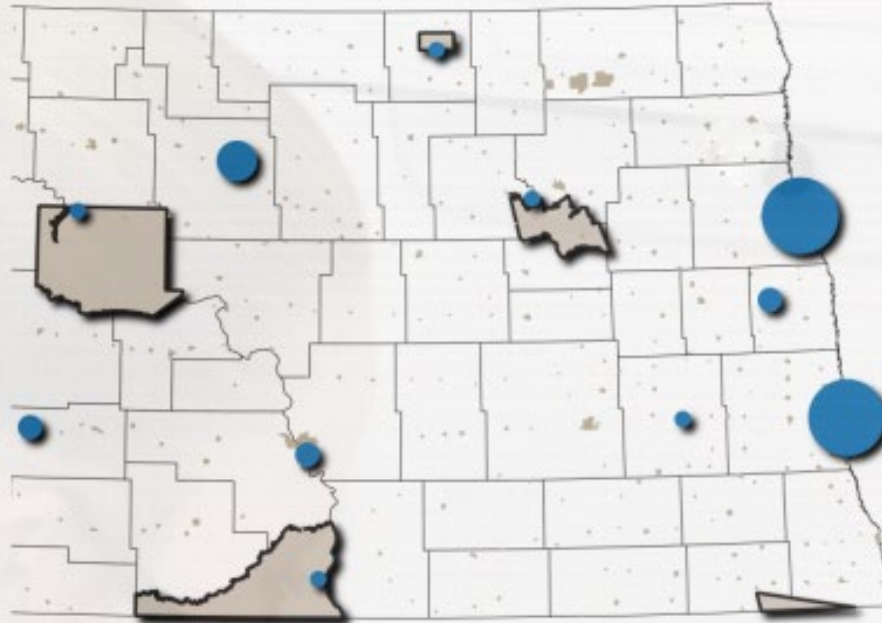
STEM LESSON
PLAN DOWNLOADS

72

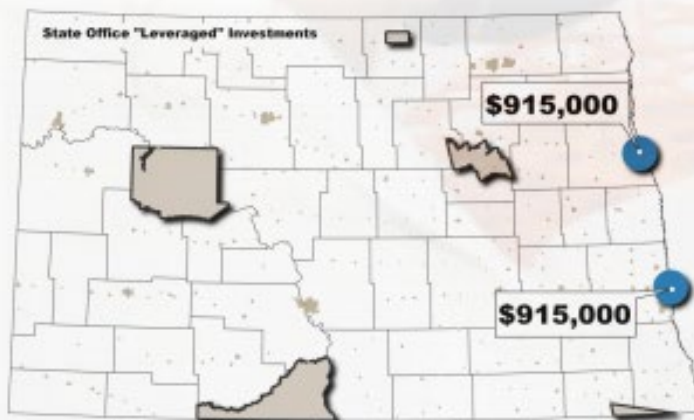
Financial Maps

State Office Funding 2019 - 2021 RFP

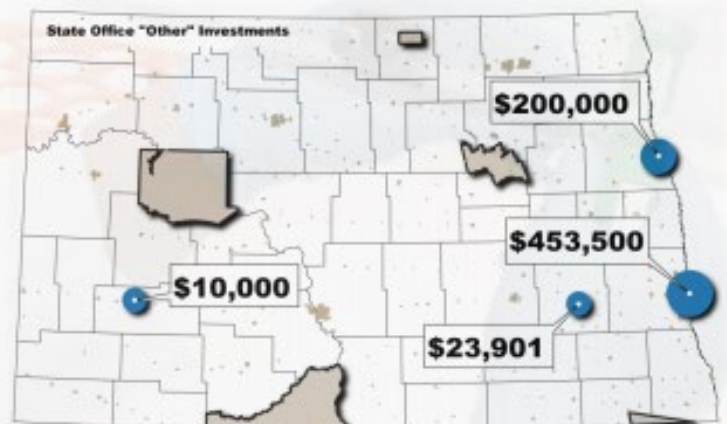
ND EPSCoR SO Funding 2019-2021 RFP



Leveraged Investments



Other Investments



Program Highlights

STTAR: Students in Technology Transfer and Research

In FY22, there were 26 STTAR interns at 12 different ND companies. STTAR provides upper-division students in STEM with an opportunity to use their academic training and experience to address challenging science and technology-based problems faced by ND companies. The STTAR program has steadily grown to include companies from the central and western regions of the state.



Partnership with North Dakota's Gateway to Science



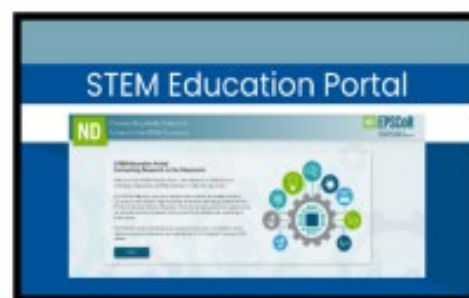
Under a Master Agreement first signed in FY21, the State Office continues to partner with North Dakota's Gateway to Science in providing informal and engaging STEM activities for underrepresented and underserved K-12 students. In FY22, the State Office provided funds for materials and equipment purchases which enhanced STEMzones and led to the development of innovative activities on laparoscopy, mechanical physics, structural engineering, and simple machinery.

NATURE: Nurturing American Tribal Undergraduate Research and Education

NATURE is a long-standing State Office program focused on engaging and encouraging American Indian students in STEM activities. The State Office partners with the tribal colleges and universities in ND to provide pathways for American Indian students into the STEM ecosystem (education and career).

K-12 Education

The State Office continues to make progress in partnering with institutions and organizations to support K-12 programming. Efforts in FY22 included the expansion of digital resources like STEM at Home and the STEM Education Portal.



ND EPSCoR

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FY22 ND EPSCoR Annual Report Executive Summary (ES)

The North Dakota Established Program to Stimulate Competitive Research (ND EPSCoR) State Office (SO) operations and programming activities are funded by state appropriated dollars (via the North Dakota University System [NDUS]). Reporting to the NDUS Chancellor, the SO develops, implements, funds, and manages several statewide programs and activities and administers several federal awards in support of its mission to broaden and diversify ND's STEM workforce pathways, support and grow statewide STEM research capacity and competitiveness, and inform and communicate science to ND stakeholders (see Section I for the structure of the SO, Section II for FY22 SO programs and activities, and Section III for FY22 SO budget and expenditure details).

During FY22, the ND EPSCoR SO budgeted the \$2,842,875 it received from the NDUS into 26 projects across three broad activity pools (Table ES-1):

1. **Programmatic** - funds education, outreach, broadening participation, research, communicating science to the public, workforce development programs, and other activities (see Sections II and III for additional details);
2. **Administrative Services** - costs associated with operating the SO, overseeing programmatic programs and activities, and administering competitive federal awards (see Section II for additional details); and
3. **Leveraged** - provides STEM capacity-building investments at the two research universities (RUs – NDSU and UND [see Appendices A and B, respectively, for additional details]).

Table ES-1. FY22 ND EPSCoR State Office Budgets, Expenditures, Encumbrances, and Rollover (Remaining) Funds.

Activity Pool	Budget	%	Expenditures	Encumbrances	Rollover
Programmatic	\$1,806,242	63.5%	\$664,546	\$761,143	\$380,523
Administrative Services	\$406,633	14.3%	\$250,729	\$0	\$155,904
Leveraged	\$630,000	22.2%	\$299,238	\$330,762	\$0
TOTAL	\$2,842,875	100.0%	\$1,214,514	\$1,091,905	\$536,457

The FY22 programmatic budget (the SO's largest activity pool) contained six budget categories of STEM support. Those categories are identified further detailed in Section II of this annual report.

At the end of each fiscal year (June 30), the combined rollover dollars (programmatic and administrative services pools) are used to fund a next fiscal year competitive statewide request for proposals (RFPs) program designed to build STEM research capacity, education (both formal and informal), and outreach. The rollover (\$536,457) from FY 22 is the smallest dollar amount since the SO was established. This is to be expected as the SO builds to a fully-staffed office with full programming.

Personnel at all 11 ND EPSCoR participating institutions (two research universities - RUs [North Dakota State University and the University of North Dakota]; one master's college/university - MCU [Minot State University]; three primarily undergraduate institutions - PUIs [Dickinson State University, Mayville State University, and Valley City State University]; and five tribal colleges/universities - TCUs [Cankdeska Cikana Community College, Nueta Hidatsa Sahnish College, Sitting Bull College, Turtle Mountain Community College, and United Tribes Technical College]) are eligible to compete for these funds. The ND EPSCoR State Office's mission is to support efforts of participating institutions of higher education across the state that result in increased STEM capacity and competitiveness.

With the exception of two TCUs, where the same faculty member submitted multiple proposals in a single year, 100% of the proposals from the MCU, PUIs, and TCUs have been funded since this program began in Fall 2019. The distribution of funds in FY22 was: NDSU – 35.41%, UND – 36.64%, TCUs – 10.86%, MCU – 9.41%, and PUIs – 7.67%. Appendix D contains fact sheets for each participating campus and in total since 2019. The years indicated in the fact sheets correlate to the fiscal year of the budgeted funds and not the fiscal year of RFP awards made. Year 2021 was an exception. In addition to the \$672,988 of rollover dollars from fiscal year 2021 (awards made in fiscal year 2022), the SO invested reserve funds from past fiscal years to aid institutions in engaging in research, education, and outreach activities during COVID. The reserve funds came mainly from fiscal years 2018/2019 during which time the SO was brand new and still coming up to full staffing and programming.

FY22 National Aeronautics and Space Administration (NASA) EPSCoR activities:

NDSU NASA EPSCoR. During FY22, the NDUS provided \$171,000 to UND for ND National Aeronautics and Space Administration (NASA) EPSCoR activities. The SO administers the NDSU NASA EPSCoR activities and received one-half of appropriated dollars (\$85,500) via a subaward from UND. These funds are used to provide match funding to NDSU faculty on NASA EPSCoR Cooperative Agreement Notices (CAN, including Rapid Response Research [R3]) and Research Infrastructure Development (RID) awards, which are administered by ND NASA EPSCoR at UND. In the event that these dollars are not used to match NASA EPSCoR CAN or RID awards during a fiscal year, they are made available through supplemental project RFPs to NDSU faculty that provide seed funding for contributing and promoting the development of research infrastructure in support of NASA's mission, improving the state's NASA-related capabilities, developing partnerships with NASA, and contributing to the NASA-related education or economic development of the state. During FY22, the NDSU NASA EPSCoR funds were pledged to NDSU faculty.

Final 2023-25 HB1003 Capital Building Fund										
Tier I 1:1 match or 2:1 match; Tier II 1:1 match; Tier III 2:1 match - No Tuition Component										
Total Capital Fund = \$84.0 million										
Tier I - Extraordinary Repairs							Tier III - Capital Building Fund			Totals
Institution	Base Funding Formula allocated to Extraordinary Repairs (General Funds)	2 for 1 Institution Match (Special Funds)	Tier I Appropriation & Required Match	\$10M SIIF Funds	Institution Match at 1 to 1 * (Special Funds)	Tier II Totals	Capital Building Fund (\$9M SIIF)	2 for 1 Match *	Tier III Totals	
BSC	417,673	417,673	835,346	638,540	638,540	1,277,080	500,000	1,000,000	1,500,000	3,612,426
DCB	114,007	114,007	228,014	159,096	159,096	318,192	500,000	1,000,000	1,500,000	2,046,206
LRSC	155,367	155,367	310,734	266,062	266,062	532,124	500,000	0	500,000	1,342,858
NDSCS	1,012,379	1,012,379	2,024,758	751,042	751,042	1,502,084	500,000	1,000,000	1,500,000	5,026,842
WSC	197,801	197,801	395,602	206,920	206,920	413,840	500,000	1,000,000	1,500,000	2,309,442
DSU	409,078	409,078	818,156	403,293	403,293	806,586	500,000	1,000,000	1,500,000	3,124,742
MASU	358,992	358,992	717,984	360,044	0	360,044	500,000	0	500,000	1,578,028
MISU	899,620	899,620	1,799,240	859,202	859,202	1,718,404	500,000	1,000,000	1,500,000	5,017,644
VCSU	408,319	408,319	816,638	463,705	463,705	927,410	500,000	1,000,000	1,500,000	3,244,048
NDSU	2,732,244	5,464,488	8,196,732	4,349,394	4,349,394	8,698,788	2,250,000	4,500,000	6,750,000	23,645,520
UND	4,411,566	8,823,132	13,234,698	6,542,702	6,542,702	13,085,404	2,250,000	4,500,000	6,750,000	33,070,102
TOTAL	11,117,046	18,260,856	29,377,902	15,000,000	14,639,956	29,639,956	9,000,000	16,000,000	25,000,000	84,017,858

*2023 Session HB1003 section 40 exempts the matching requirements in chapter 15-54.1 for the following project use:

Lake Region State College wind turbine gearbox replacement and parking lot repairs	2021-23 Tier III	500,000
	2023-25 Tier III	500,000
Williston State College medical health care building	2021-23 Tier II/III	637,947
Mayville State University old main renovation	2019-21 Tier II/III	610,029
	2021-23 Tier II/III	740,029
	2023-25 Tier II/III	860,044
Valley City State University McCarthy hall renovation	2019-21 Tier III	415,945
	2021-23 Tier II/III	609,137
Dakota College at Bottineau old main renovation	2019-21 Tier III	500,000
	2021-23 Tier III	500,000

2019-21 Capital Building Fund Carryover to 2023-25			
Institution	Tier II	Tier III	Total Remaining
MaSU	\$240,029	500,000	740,029
VCSU	-	415,945	415,945
TOTAL	\$240,029	\$915,945	\$1,155,974

2021-23 Capital Building Fund Carryover to 2023-25			
Institution	Tier II	Tier III	Total Remaining
LRSC	\$177,375	\$0	\$177,375
WSC	\$137,947	500,000	\$637,947
MaSU	240,029	500,000	\$740,029
NDSCS		236,833	\$236,833
VCSU	109,137	500,000	\$609,137
TOTAL	\$664,488	\$1,736,833	\$2,401,321

Nursing Simulation:

Simulation has become an integral part of nursing education and can realistically replicate the clinical environment. It provides strong learning experiences in a safe learning environment that can be translated to clinical practice.

Nursing students who participate in simulated learning experiences tend to make less mistakes in clinical practice and more fully develop essential critical thinking and clinical decision-making skills that improve patient care outcomes.

Nationally, patients are requiring a higher level of care due to increasingly complex healthcare needs. Simulation supports student learning in a safe environment that facilitates development of clinical judgment skills prior to engaging in direct care experiences.

Simulated experiences range from practicing “people skills”, like communication techniques, through low-fidelity case studies or interviews to more technical simulation experiences geared to improve technical skill development like cardiac assessments, and IV placement. Higher-fidelity simulation ties communication, technical, and clinical judgment skills together by using interactive mannequins that “live, breathe and respond” to students’ actions as they deliver comprehensive care.

Simulation education costs have greatly increased in the past 10 years. While \$100,000 may have been sufficient to set up a basic simulation lab 10 years ago, current costs have escalated to where the purchase of one interactive mannequin can currently exceed \$75,000. Computer software, mannequins, equipment, and supplies (gloves, catheters, IV pumps, etc.) are examples of direct costs associated with simulated learning experiences. Indirect costs include equipment warranties, repairs, and maintenance. Additionally, financial support for employment of simulation operation specialists and faculty development are needed to improve to quality and integration of simulation education.

The Nursing Education Consortium (NEC) funding is vital in supporting ongoing simulation education for nursing students in all public and private nursing programs in the state of North Dakota. However, the currently allotted funds typically cover less than half of the total simulation costs in each institution. Increased financial support through NEC funding would allow nursing programs to better prepare students for practice as well as decrease the demand for clinical placements in our healthcare agencies.

Overview:

Collectively, the NEC supported nursing programs noted below currently enroll 1405 undergraduate nursing students. These programs offer an average of 15 (11-21) simulations per program. It is estimated that one, high-fidelity simulation experience can cost the programs between \$480 to \$1174 to run or about \$212 per student/simulation. Every program would like to increase the number of simulated experiences they are able to offer. Currently the programs replace about 11-25% of direct patient care hours with simulated experiences. However, increasing these simulated hours across all programs would help alleviate some of the strain on clinical sites and preceptors and potentially allow undergraduate nursing programs to grow their enrollments. Current research suggests that programs could consistently replace up to 25% of direct patient hours with simulation and continue to graduate well-prepared nurses who can immediately step into practice and serve our communities. Additional NEC funding is needed to support nursing programs’ growth.

Estimated Nursing Simulation Costs

	Total number of UG nursing students/ program	Total number of simulations/ program	Percent of clinical hours using simulation in place of direct patient care	Estimated cost of one high-fidelity simulation experience	Estimated cost of one simulation per student
Bismarck State College	92	19	25%		\$50.00 \$200.00 for satellite sites
Dakota College at Bottineau	72	16	5%		\$100
Dickinson State University	82	10-15	15%	\$480-560	\$125
LRSC	81	46	25%	\$480-520	\$145
Mayville State University	44	2			\$122
Minot State University	96	21	20%	\$1000	\$250
NDSCS	125	10-12	12%	\$700-1000	\$213
NDSU-Fargo	256	14		\$1174	\$293
NDSU-Bismarck	160	17		\$1174	\$293
U of Mary	141	11	13%	\$1062	\$398
UND	256	14	11%	\$1058	\$264

Graduate nursing costs are not included in this overview. Family Nurse Practitioner and Nurse Anesthesia students are also using increasing simulation time in their programs.

Nursing Education Consortium

2021-23 Biennial Budget

Prepared by the North Dakota University System Office

7/1/2021

Each school receiving \$12,500 base each FY

Enrollment & Financial Summary

Program/School	# of students in each Program				TOTAL	% of Enrollment Total	TOTAL AWARD AMOUNT \$ 1,356,000		
	Undergrad		Grad	Less ADN to BSN			Base amount of		
	PN	RN	CRNA				\$25k allocation	To each campus	New Totals
Bismarck State*	55	32	0	0	87	4.5383%	\$ 25,000.00	\$ 46,174.90	\$ 71,174.90
Bottineau*	49	41	0	0	90	4.6948%	\$ 25,000.00	\$ 47,767.14	\$ 72,767.14
Dickinson State	76	46	0	0	122	6.3641%	\$ 25,000.00	\$ 64,751.01	\$ 89,751.01
Jamestown	0	62	0	0	62	3.2342%	\$ 25,000.00	\$ 32,906.25	\$ 57,906.25
Lake Region*	61	43	0	0	104	5.4251%	\$ 25,000.00	\$ 55,197.58	\$ 80,197.58
Minot State	0	145	0	(12)	133	6.9379%	\$ 25,000.00	\$ 70,589.21	\$ 95,589.21
NDSCS	109	24	0	0	133	6.9379%	\$ 25,000.00	\$ 70,589.21	\$ 95,589.21
NDSU	0	640	0	(41)	599	31.2467%	\$ 25,000.00	\$ 317,916.83	\$ 342,916.83
Sitting Bull College	13	0	0	0	13	0.6781%	\$ 25,000.00	\$ 6,899.70	\$ 31,899.70
U Mary	0	246	0	(83)	163	8.5029%	\$ 25,000.00	\$ 86,511.59	\$ 111,511.59
UND	0	333	54	(30)	357	18.6228%	\$ 25,000.00	\$ 189,476.31	\$ 214,476.31
Williston*	33	21	0	0	54	2.8169%	\$ 25,000.00	\$ 28,660.28	\$ 53,660.28
Mayville State University					0		\$ 25,000.00	\$ -	\$ 25,000.00
TOTAL	396	1633	54	(166)	1917	100.0000%	\$ 325,000.00	\$ 1,017,440.00	\$ 1,342,440.00
Administration Fee							1%		\$ 13,560.00
Award TOTAL									\$ 1,356,000.00

Dakota Digital Academy

- I. Purpose: The Dakota Digital Academy is the NDUS answer to the rapid digitization of society, with accelerated **speed** of response while achieving **scale** and statewide **scope**.
- II. Strategic Objectives:
 1. Academic development
 - a. certificate and course development
 - b. alignment of teaching resources with identified gaps
 - c. cross institution collaboration
 - d. K-12 support
 2. Integration/collaboration with industry to address workforce shortages
 - a. Workforce advisory committee
 - Focus on priorities
 - Internships
 - Apprenticeships
 - projects
 - b. Web portal
 - Course offerings
 - Job openings
 3. Discourse, Awareness
 - a. Social/ethical/legal – all things related to the social science aspects in a digital world
 - b. Dakota Digital Review (DDR), along with public talks and forums, will help elevate discussions and debates about digitization, facilitating far better preparation of government and business and of voters to make crucial decisions about our future
 - c. Non-credit delivery of programming (i.e., digital hygiene for senior citizens, digital programming for 4-H youth groups, etc.).
- III. The Way Ahead for the DDA: **Objectives for the next 12 months**
 1. **SBHE Goal #2:** Responsive – Provide access to DDA programs and courses that people want, where and when they need them
 - a. Sponsor Cybercon 2022 conference hosted by BSC
 - b. Work with NDSU Extension Service to create content and citizen-based community events
 - Lessons that can be used with youth in our state. This is the audience that could reach the largest number.
 - Offer train-the-trainer for staff on topics to teach youth.
 - Short videos to share on our YouTube channel and social media for adult audiences
 - c. Develop an OER-based 1-credit gen ed course
 - d. Workforce Advisory Committee
 - Plan and execute quarterly WAC meetings
 - Work to identify and expand Workforce Advisory Council membership
 - Identify and fill internships, apprenticeships, or projects where ND businesses need help and match students to those experiences
 - Review existing certificates and evaluate gaps to be filled

- e. Set up an October retreat in Minot with the NITC campuses to discuss collaboration opportunities
 - f. Continue to work with campuses to advance certificates offered by institutions
 - g. Continue to advance articulation agreements
2. SBHE Goal #3: Student success – **prepare** students for success
- a. Follow up on the grant-funded courses; obtain quantitative and qualitative results and write quarterly summary report until all grants are completed and reported out
 - b. Develop four recruitment videos that promote cybersecurity, computer networking, modern computing technologies, and mobile app development
3. SBHE Goal #4: Unified system - maximize the strengths of the unified system
- a. Dakota Digital Discussions
 - Sept: Nick Datzov, UND Law
 - Oct: Mark Mills, tech pundit
 - Nov: Zahid Anwar, NDSU Prof of Cybersecurity
 - Dec: Marcus Fries, DSU Chair of Math & Comp Sci
 - b. Identify and secure sponsors/donors
 - c. Dakota Digital Review
 - Fall edition
 - Spring edition
 - Spring second edition



State Board of Higher Education Summary

1. **Issue:** FY24 salary ranges for Vice Chancellors & Senior Officers.
2. **Proposed actions:** Approve FY24 salary ranges for Vice Chancellors & Senior Officers.
3. **Background information:** SBHE policy 705.1 requires the SBHE "Executive Committee" to approve salary ranges based on relevant market data and salary increases based on performance and approved matrices. Salary ranges are based on 80-120% of the median of peer comparators. For Vice Chancellors & Senior Officers, CUPA-HR data for University System Offices is utilized. Further, salary increases are to be based on documented performance evaluations and availability of funding.

The attached FY2024 Compensation Plan document details how the NDUS System Office will implement legislative directed increases. No other market adjustments are being considered for FY2024. NDUS market data collection methodology & strategy is also explained. The plan addresses all System Office employees.

Page 3 of the document highlights the current market rates, proposed salary ranges, and resulting market position for the Vice Chancellors & Senior Officers.

4. **Financial implications:** Vice Chancellors' and Senior Officers' salaries are included within the System Office and Core Technology Services budgets.
5. **Legal/policy issues:** None
6. **Academic issues:** None
7. **Coordination:** NDUS Office
8. **Attachments:** Salary Matrices
9. **Contact information:** Mark Hagerott, Chancellor
10. **Chancellor's recommendation:** Chancellor Hagerott recommends approval of FY24 salary ranges.

NDUS System Office Compensation Plan

FY2024 Proposal

Legislative & Performance Increases

The Legislative Assembly provided funding for salary increases averaging 6% for FY2024. All employees in good standing are eligible to receive these adjustments. Increases must be based on performance and may not be awarded across-the board. The System Office will implement the law by using the following guidelines:

- Effective 7/1/2023, all non-probationary employees with satisfactory performance appraisals will receive minimum performance increases of 6%.

The NDUSO annual market analysis indicates that one System Office employee is paid at market levels. Most other positions are paid well below market. Current market status prior to applying the legislative 6% average increases is as follows:

- 5 employee is between 59.0– 64.9% of market.
- 7 employees are between 65 –69.9% of market
- 2 employees are between 70 – 74.9% of market.
- 1 employees are between 75 – 79.9% of market
- 3 employees are between 80 – 85% of market.
- 1 employee are between 86 – 90% of market.
- 2 employees are between 91 – 95% of market.
- 1 employees are between 96– 99.9% of market.
- 1 employee are at 100% of market or higher.

The approved legislative equity program has allowed the System Office to provide market equity compensation adjustments in FY23 to the majority of staff. Chancellor meets the criteria, but his position has been excluded from the adjustments. The SBHE will address his salary at the June 27th meeting. In FY2024 six percent adjustments, as allowable within legislative guidelines would be applied to each position. After the proposed average 6% increases, the average NDUS market position excluding the Chancellor's position would be 84.0%(currently at 75.8%), 12 positions would be paid at 70-80% of market; 6 would be at 80-100% of market and four employees would be at or above market, three of which are long-term employees.

NDUS Market Data Collection and Strategy:

- As per [SBHE broadband policy](#) and [HR pay policy 5](#), the System Office determines fair market salary for each position by conducting a consistent and thorough market analysis of each position on an annual basis.
- Salary data is pulled from CUPA—College and University Professionals Association- which is updated with salary information on an annual basis by campuses across the US, both public and private, who choose to submit salary data. CUPA captures only salary data not total compensation which would include retirement contributions, health insurance premiums and other benefits paid for the employee.
- Each NDUS position is matched to CUPA position descriptions (by job duties, not necessarily titles) to determine a market match within the following survey categories: administrative, professional, or staff (non-exempt).

- The System Office uses a national comparison group -- All doctoral research institutions and all university systems. Comparison groups list the institutions who participated in the survey and provided current salary data as of November 2022. Data is aged if extracted after that date.
- Comparison groups may also be pulled by Carnegie classification, budget size, geographical, student size—there are many options. Salary surveys can be pulled by a single position. Caution must be used in narrowing the groups too much, as the sample size may be small and search results skewed.
- The median is considered full market (100%). The median is the middle value of a series of values laid out in numerical order. It's the middle point of the data set. Half of the values will be less than the median, and half will be higher than the median
- Per Department of Justice Safe Harbor Guidelines, statistics will not display when the number of Institutions contributing data is less than 5 (too few data). Statistics will also not display when one institution's data comprise more than 25% of the total (unbalanced data; only applicable if incumbent—rather than institutional average—salaries are selected). If fewer than 10 institutions have provided data for a position, any percentiles provided are poor estimates at best, and extreme caution should be taken in their interpretation and use.

Vice Chancellors & Senior Officers

SBHE policy 705.1, requires the SBHE "Executive Committee" approve salary ranges based on relevant market data and salary increases based on performance and approved matrices. Salary ranges are based on 80-120% of the median of peer comparators. For Vice Chancellors & Senior Officers, CUPA-HR data for University System Offices is utilized, as previously described. Further, salary increases are to be based on documented performance evaluations and legislative funding. The following tables reflect current salaries after equity adjustments, market rates, salary ranges, and market position for these employees.

<i>2022-23 Market Data</i> <i>(CUPA-HR University System Offices/Admin 2023 Doctoral and System Office)</i>					
	(1)	(2)	(3)	(4)	(5)
	2022-23 Salary	Market	80% of Market	120% of Market	2022-23 Market Position
VC for Academic and Student Affairs	\$214,047	\$315,102	\$252,082	\$378,122	71%
Vice Chancellor for Administrative Affairs/Chief Financial Officer	\$216,108	\$311,445	\$249,156	\$373,734	73%
Vice Chancellor of Strategy and Strategic Engagement	\$183,256	\$240,590	\$192,472	\$288,708	78%
Vice Chancellor IT/CIO	\$214,783	\$262,986	\$210,389	\$315,583	86%
Chief of Staff	\$142,005	\$224,003	\$179,202	\$268,804	69%

<i>2023-24 Salary Recommendation</i>						
	(1)	(2)	(3)	(4)	(5)	
	Employee	2022-23 Salary	2022-23 Annualized Salary after Equity applied. 6-30-2023	Legislative 6% Increase	Proposed 2023-24 Salary	2023-24 Market Position
VC of Academic and Student Affairs	Johnson	\$214,047	\$225,047	\$13,503	\$238,550	76%
Vice Chancellor for Administrative Affairs/Chief Financial Officer	Krebsbach	\$216,108	\$227,108	\$13,626	\$240,734	77%
Vice Chancellor of Strategy and Strategic Engagement	Rostad	\$183,256	\$188,256	\$11,295	\$199,551	83%
Vice Chancellor IT/CIO	King	\$214,783	\$225,572	\$13,534	\$239,106	91%
Chief of Staff	Meyer	\$142,005	\$154,005	\$9,240	\$163,245	73%

2024

State Board of Higher Education Audit Committee

North Dakota

NDUS Internal Audit Plan

June 21, 2023

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DRAFT



NDUS Internal Audit
1700 Schafer Street
Bismarck, ND 58501
Email: Internal_Audit@ndus.edu

June 21, 2023

Mr. Nick Hacker, Audit Committee Chair
North Dakota State Board of Higher Education – Audit Committee

We are pleased to submit the annual internal audit plan for the North Dakota University System.

Please note that given the rapidly changing environment, the FY24 Audit Plan and respective risks will be continuously monitored and discussed at the quarterly meetings of the North Dakota State Board of Higher Education (SBHE) Audit Committee. When necessary, this audit plan will be revised.

We appreciate the support that the SBHE Audit Committee and Chancellor offer us in the performance of our responsibilities.

Respectfully submitted,

Dina Cashman

Dina Cashman, CPA, CIA, CRMA
Chief Audit Executive, NDUS

CC: North Dakota State Board of Higher Education
Dr. Mark Hagerott, Chancellor, NDUS
Mr. David Krebsbach, Vice Chancellor of Administrative Affairs/CFO, NDUS
Mr. Darin King, Vice Chancellor of IT, Chief Information Officer, NDUS
Mr. Jerry Rostad, Vice Chancellor of Strategy and Strategic Engagement, NDUS
Ms. Lisa Johnson, Vice Chancellor of Academic and Student Affairs, NDUS
Mrs. Terry Meyer, Chief of Staff, NDUS
Mr. Christopher Pieske, Chief Compliance Officer, NDUS

Introduction

Purpose

The purpose of the internal audit of NDUS is to provide independent, objective assurance and consulting services designed to add value and improve the operations of the North Dakota State Board of Higher Education (SBHE) and the North Dakota University System (NDUS).

Mission

The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

Risk Assessment

The audit plan outlines the internal audit activities that the NDUS Internal Audit will perform during FY24 in accordance with the Institute of Internal Auditor (IIA) Standards. The plan is prepared using a risk-based approach to ensure that areas and activities with the greatest risk to the NDUS are identified for consideration to be audited. This includes risks known and risks that are communicated by stakeholders via risk assessment, discussions, Enterprise Risk Management (ERM), and surveys.

NDUS Internal Audit held interviews with senior leadership and management in key areas at Dakota College at Bottineau, Dickinson State University, Minot State University, and Williston State College and reviewed risks, trends in higher education, and potential audits and consulting engagements. Risks were ranked based on probability and impact ratings, past audit coverage, and other interrelated risks. Additional focus was placed on IT risks by conducting a separate IT risk assessment to identify and agree upon critical services and functions that could have a significant effect on NDUS. Furthermore, the FY24 Audit plan includes other required engagements and reserve time for unanticipated items.

Risks that are not able to be addressed due to limited audit resources must be communicated to senior management and the Audit Committee. Planned audits that are not able to be conducted during the year are communicated to the Audit Committee and reevaluated in the next year's annual audit plan. This is important since factors that led to the identification of risks may change often, especially in chaotic times.

Topics considered but not selected:

- Compliance with the Uniform Guidance, sub-recipient monitoring
- System-wide Digital Accessibility
- FERPA Compliance
- IT Regulatory Governance & Compliance
- System-wide Donated leave

FY24 NDUS Internal Audit Plan

FY24 General description of Audit Engagements or Follow-up	Est. Hours	% of Total
Follow-Up Reviews and Prior Not Implemented (PNI)		
PSFT Generic accounts	40	
LRSC Admissions	40	
VCSU Bookstore (PNI)	40	
NDSCS-Admission process (PNI)	20	
WSC-I9 (PNI)	20	
MaSU - Background Check (PNI)	20	
Total Projected Follow-up Reviews and PNI Hours	180	4%
Follow-Up Audits		
System-wide Immunization	100	
System-wide PSFT Supplier's Changes and Updates	200	
System-wide NDUS Transfer Credits	100	
Total Projected Follow-up Audit Hours	400	7%
System-wide Audit Engagements		
System-wide Procurement of large capital projects to the ND Institutions audit	400	
System-wide Clery Act compliance audit	400	
System-wide Faculty Overload analysis for classes 100- 200 level	200	
System-wide College Credit in High school audit	400	
System-wide Expenses Reimbursement audit	400	
Total Projected System-wide Audit Hours	1800	33%
IT Audit Engagements		
Data Protection (Data Management, Inventory, Access Control, Retention, Disposal)	300	
Access Control Management (Granting, Revoking, MFA)	300	
Total Projected IT Audit Hours	600	11%
Specific Entity Audit Engagements		
DSU-Consulting services for the procurement processes above \$10,000	160	
WSC-Consulting services for the Pcard reconciliation process	160	
MiSU-Conflict of interest consulting services	160	
DCB-Consulting services surrounding the payroll process	160	
Total Projected New Audit Area Hours	640	12%
Data-Driven Regular Reporting		
Continuous Review (vendor, P-card, access, new/other)	200	
Advanced Filtering (data analytics, PowerBI, other)	200	
Total Data Driven Regular Reporting Hours	400	7%
Other Audit Responsibilities		
Enterprise Risk Management Assessment	80	
NDUS Risk Assessment, including IT	300	
Audit Planning	60	
Fraud Risk Assessment	0	

Annual Internal Control Training Update	40	
Quality Assessment Improvement Process (QAIP)	200	
Miscellaneous - (ad hoc, new PNI, emergency, unannounced, unassigned)	344	
Total Other Audit Responsibility Hours	1024	20%
Administrative Responsibilities		
Professional Development	120	
New staff training	80	
Council/Committee/Board Meetings (incl. prep time)	200	
Total Administrative Responsibility Hours	400	6%

Audit Plan Overview

The plan is based on one full-time equivalent (FTE) internal auditor, one FTE senior internal auditor, and one chief audit executive who provides leadership and oversight for the audits and projects for the year representing 6240 hours. The FTE estimate assumes successful recruitment to fill a vacant auditor position. The audit plan takes into consideration the professional training that is required for staff to enhance existing skills and prepare for new areas of auditing.

The following table represents the planned use of those hours:

	Hours	%	Per FTE
Internal Audit projects	5044	80%	1682
Leave time	796	14%	265
Administration and other	280	4%	93
Professional Development	120	2%	40
Total	6240	100%	2080

Leave time represents ten holidays, annual leave, and sick leave. 1.2 weeks of sick leave is the average for the internal audit and is used in the table.

Administration and other includes the time for council, board meetings, department meetings, and training for new staff.

Professional Development time is planned to meet or exceed the annual continuing professional education requirements of the various professional organizations of which internal auditors are members, professional certification, and as required by the Institute of Internal Auditor (IIA).

Appendix A

Completed NDUS Internal audit engagements at institutions that do not employ internal audit staff.

NDUS Institution	FY17	FY18	FY19	FY20	FY21	FY22	FY23
BSC	x	x	x				x
DCB	x	x	x				
DSU		x	x				
LRSC	x		x				x
MaSU	x		x				x
MiSU	x	x		x			
NDSU	x		x				
NDSCS	x	x			x		
UND	x						
VCSU	x	x	x	x			
WSC		x	x				
NDUSO		x			x		
CTS			x			x	

The requirement to have one overall or one specific engagement per year at each institution and the NDUS system office has been updated in 2019. The current requirement is to conduct system-wide audits as well as institution-specific audits, including the NDUSO and CTS, for those institutions that do not directly employ internal audit staff.

Appendix B

Completed NDUS Internal audit engagements by the institution's primary category.

SW- system-wide audit

SWLA- system-wide limited analysis

Institution Primary Category	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Academic Affairs							
Common Course Numbering (SWLA)				x			
Athletics							
Athletic camp (MiSU)	x						
Auxiliary Services							
Bookstore (VCSU)				x			
Business continuity & emergency planning							
Compliance							
Grant Compliance (BSC, MiSU, VCSU)		x					
Title IX (SW)			x				
Immunization (SW)					x		
Facilities Management							
Finance							
Purchase card-micro audit (BSC, DCB, LRSC, MaSU, MiSU, NDSCS, NDSU, UND, VCSU)	x						
Cash and deposits (NDUSO)		x					
Concession (BSC)			x				
Asset Inventory (DCB, DSU, LRSC, WSC)			x				
Unrelated Business Income (SWLA)				x			
Financial Aid (NDUSO)					x		
Consulting services for contracts (BSC)							x
Consulting services for payroll (MaSU)							x
Governance							
Human resources							
HR and Payroll (DCB, DSU, WSC)							
HR and Payroll (MaSU, VCSU)		x	x				
Operations							
Physical Safety							
Life Safety (NDSCS)		x					
Life Safety (NDSU)			x				
Background Checks (SW)				x			
Safety and Security against Active Shooters (SW)							x
Research							
Students							
Admissions (MiSU)				x			
Admissions (NDSCS)					x		
Transfer students (SW)						x	
Admissions (LRSC)							x
Technology							
Deprovisioning (CTS)			x				
General accounts (CTS)						x	
Vendor master file (SW)			x				
PeopleSoft Supplier's Updates and Changes (SW)						x	

Approved May 27, 2021

The purpose of this document is to serve as an additional document to the North Dakota University System Internal Audit Charter and Audit Committee policy.

Purpose

The purpose of the internal audit activity of NDUS is to provide independent, objective assurance and consulting services designed to add value and improve the operations of the North Dakota State Board of Higher Education (SBHE) and the North Dakota University System (NDUS).

Mission

The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.



Form created 07/2020

June 21, 2023

Chair Hacker and Audit Committee members:

SBHE Policy 306.2 and IIA Standard 1110 require that the Chief Audit Executive (CAE) confirm to the Board, at least annually, the organizational independence of the internal audit activity.

Organizational independence is effectively achieved when the CAE reports functionally to the Board. Examples of “functional reporting to the Board” include:

- Approving the internal audit charter.
- Approving the risk-based internal audit plan.
- Approving the internal audit budget and resource plan.
- Receiving communications from the CAE on the internal audit activity’s performance relative to its plan and other matters.
- Making decisions regarding the appointment and removal of the CAE.
- Approving the remuneration of the CAE.
- Making appropriate inquiries of management and the CAE to determine whether there are inappropriate scope or resource limitations.

The Board and Audit Committee have assumed the above responsibilities in SBHE Policy 306.2.

I am confirming to the board through the audit committee the organizational independence of the internal audit activity.

The Audit Committee’s acceptance of this document constitutes confirmation to the Board of the NDUS Internal Audit’s organizational independence in compliance with SBHE Policy 306.2 and IIA Standard 1110.

Respectfully submitted,

Dina Cashman

Dina Cashman, CPA, CIA, CRMA
Chief Audit Executive, NDUS



Christopher S. Pieske, J.D.
Chief Compliance Officer
NDUS Office of Compliance and Ethics
600 East Boulevard Avenue, Dept. 21
Bismarck, ND 58505

June 21, 2023

Chair Hacker and Audit Committee members:

SBHE Policy 306(9)(c) requires that the Chief Compliance Officer confirm to the Audit Committee, at least annually, the organizational and operational independence of the Compliance Office.

Organizational independence is effectively achieved when the Compliance Office reports functionally to the Board. Examples of “functional reporting to the Board” include:

- Reviewing and approving the compliance program and plan on an annual basis;
- Approving the Office budget and resource plan;
- Receiving communications from the Officer on the compliance office’s performance relative to its plan and other matters;
- Making appropriate inquiries to determine whether there is inappropriate scope or resource limitations;
- Making recommendations to the SBHE to take actions based on reports received from the Officer; and

The above activities are requirements of the Board and Audit Committee per Policy 306.

I am confirming to the Audit Committee the organizational and operational independence of the Office of Compliance and Ethics. The Audit Committee’s acceptance of this document constitutes confirmation of the Compliance Office’s organizational independence in compliance with SBHE Policy 306.

Respectfully submitted,

Christopher S. Pieske

Christopher S. Pieske, J.D.
NDUS Chief Compliance Officer

2023-25 Internal Audit

Description	FY2024 Budget	FY2025 Budget	2023-25 Budget
Salary & Fringe Benefits*	\$ 418,557	\$ 432,906	\$ 851,463
Travel & Prof. Development	9,500	9,500	19,000
Operations	4,385	4,385	8,770
Total	432,442	446,791	879,233

Guidelines for the Economic Diversification Research Grants

Reviewed and approved by the SBHE RGC May 21, 2023

The **Economic Diversification Research Funds were established to award** grants to NDUS institutions. The purpose of the grants is: 1) to stimulate economic activity across the state through innovation of new technology, concepts, and products; 2) to promote job creation and career and wage growth; 3) to enhance health care outcomes; 4) to address loss of revenue and jobs in communities with economies that depend primarily on the fossil fuel industry; and 5) to provide experiential learning opportunities for students. (Section 16.3) Projects that leverage funds from other sources will be of particular interest. Institutions are permitted to carry out research in collaboration with one or more NDUS institutions or the private sector.

In each year of the biennium, NDUS will award half of the allotted funding as designated to North Dakota state university and the university of North Dakota with equal amounts awarded to each institution. Each institution's Vice President for Research shall employ appropriate mechanisms to allocate funding for that institution's Economic Diversification Research Grants using the criteria consistent with the legislative intent outlined in the North Dakota Century Code created by HB 1003 by the 68th Legislative Assembly, as approved by the institution's President.

Implementation at remaining NDUS institutions: NDUS will award 1/9 of the allotted funding to each of the other institutions. The President of each institution shall determine an appropriate mechanism for selection of research for the Economic Diversification Research Grants using the criteria consistent with the legislative intent outlined in the North Dakota Century Code created by HB 1003 by the 68th Legislative Assembly.

Institutions shall report whether research were initiated by the institution or by the private sector and shall report the amount of matching funds when an institution uses such funds. Each institution shall have a point of contact for potential private sectors to initiate research.

At the end of each fiscal year, each institution will prepare a report for the SBHE that meets the approved guidelines and provides the required data on performance outcomes.

Grant Oversight: Internal Advisory Committee

The Internal Advisory Committee shall consist of five members: one representative nominated by NDSU; one representative nominated by UND; one representative from the regional/dual mission and 2-year/polytechnic institutions; the chair of the SBHE Research Committee; and the Chancellor (or designee) of the NDUS. The SBHE Research Committee Chair shall serve as chair of the Internal Advisory Committee. The Internal Advisory Committee will fulfill its oversight of the grants through annual review each institution's report.

Grant Oversight: External Advisory Committee

The External Advisory Committee shall consist of three members in academia (outside of NDUS), industry or government. One member shall be nominated by NDSU; one member shall be nominated by UND; and one member shall be nominated by the regional/dual mission and 2-year/polytechnic institutions; The External Advisory Committee will fulfill its oversight responsibility of the Economic Diversification Research Grants by annually reviewing the comprehensive report that has been compiled by the SBHE as required by the statute.

Reporting Guidelines

The state board of higher education shall compile reports from each institution and submit a comprehensive report annually to the legislative management. The comprehensive report must include information on how the research efforts by each institution align with the state's priorities, how the institutions collaborate when appropriate, and how the outcomes of the research meet established expectations (Section 16.4)

Institutions shall submit a report annually. The report should detail the following information:

- Use of funds, including amounts and purpose
- matching funds amount and source (when appropriate)
- expenditures expected by the end of the current fiscal year
- statement describing how the institution's use satisfies legislative purpose as outlined in the first paragraph
- external collaborations (when appropriate) and collaborations internal to NDUS
- performance outcome data (see below)

Criteria for Assessing performance outcomes for Economic Diversification Research Funds: Reporting shall include quantitative data and qualitative narratives on the following performance outcomes as appropriate to the institution's use of the funds:

- Development and implementation of new technologies or products (including research and commercialization agreements and patent applications)
- Documentation and narrative related to enhanced healthcare outcomes
- Attraction or retention of talent to the state (including faculty, research scientists, technicians and postdoctoral fellows)
- Student(s) trained/graduated
- Publications or presentations
- Outreach
- Grant applications
- Additional revenue (such as federal, local, private sector funding) secured as a result of the funds

Title: Policy 100.6 Authority and Responsibility of the State Board of Higher Education (dated 2012)

Proposed action: Approve/Deny the above policy

Background information: All SBHE policies are required to be reviewed after 10 years. Policy 100.6 reached the 10-year mark this past year. The policy was reviewed and updated in late 2022 and was routed through the appropriate councils and SBHE committees, landing on the March SBHE monthly agenda. However, Member Bye asked to pull policy 100.6 off the agenda so that additional inputs/edits could be accomplished. The updated policy is now ready to go forward.

Financial matters: NA

Legal/policy matters: Section 9 is intended to comply with SB 2343.

Academic matters: NA

Review Process:

Legal Review	12/06/2022; 04/17/2023; 5/15/2023	Recommends moving forward
Senior Staff	12/12/2022	Recommends moving forward
AAC	01/03/2023	Recommends moving forward
Admin	01/03/2023	Recommends moving forward
SAC	01/03/2023	Recommends moving forward
Cabinet	01/12/2023	Recommends moving forward

Chancellor's recommendation:

Committee Review

RGC	01/18/2023; 3/22/2023; 4/19/2023; 5/17/2023; 6/21/2023		
SBHE	1/26/2023	1st Read	Returned to RGC
	4/27/2023	1st Read	Revised policy
	5/22/2023	1st Read	Returned to RGC
	6/27/2023	1st Read	

Contact information:

Jerry Rostad, Vice Chancellor for Strategic Engagement, 701-969-9229, jerry.rostad@ndus.edu

NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION POLICY MANUAL

SUBJECT: INTRODUCTION

EFFECTIVE: September 26, 2012

Section: 100.6 Authority and Responsibility of the State Board of Higher Education (SBHE),
Chancellor and Institution Presidents

1. The SBHE was established by an initiated measure approved by the voters in 1938 (now Art. VIII, § 6 of the North Dakota Constitution). Art. VIII, §6 states the SBHE “shall have the control and administration of” all of the state institutions established in the state constitution at that time and “such other state institutions of higher education as may hereafter be established.” Further, the SBHE “shall have full authority over the institutions under its control” and “full authority to organize or reorganize within constitutional and statutory limitations, the work of each institution under its control, and do each and everything necessary and proper for the efficient and economic administration of said state educational institutions.” The SBHE shall appoint a commissioner of higher education as its “chief executive officer.” In 1990, the SBHE established a unified system of higher education, with its Commissioner/Chancellor as the system’s chief executive officer. Later, the state legislature enacted North Dakota Century Code § 15-10-01.2, which states:

The institutions of higher education under the control of the state board of higher education are a unified system of higher education, as established by the board, and are designated as the North Dakota University System (NDUS).

2. Holding the NDUS in its trust, the SBHE:
 - a. Establishes the mission, vision and goals of the ~~Ensures the NDUS achieves the purposes of its mission and goals;~~
 - b. Hires and evaluates the Chancellor and institution presidents ~~Ensures the NDUS is properly led and managed;~~
 - c. ~~Maintains the quality of academic programs;~~
 - d. ~~Provides responsible~~ governance ~~and procedures for proper governance;~~
 - e. ~~Safeguards NDUS assets;~~
 - f. ~~Honors the mission and integrity of each institution and its people;~~
 - g. ~~Champions~~ Serves as a catalyst to create more efficient and effective programs and services through partnership and resource sharing;
 - h. ~~Maintains student affordability;~~
 - i. ~~Represents the institutions to the public and vice versa, assisting where appropriate in the understanding of each other’s needs;~~
 - j. ~~Ensures effective stewardship of its financial, physical, and intellectual assets;~~
 - k. ~~Achieves cost savings due to economies of scale, where appropriate;~~
 - l. ~~Secures cooperative and planning advantages;~~
 - m. ~~Shapes, supports, and achieves complementary institution missions;~~

- ~~n.~~ Ensures excellence in programs, faculty, and students;
- ~~e.l.~~ Minimizes unnecessary duplication through cooperative endeavors;
- ~~p.m.~~ Gains public and legislative support for the NDUS through unified efforts; and
- ~~n.~~ Shields institutions from direct political and other outside interference.

3. The SBHE is a policy-based governance board that focuses/prioritizes on setting the strategic direction and broad policies, rather than managing day-to-day operations. The board's role is to ensure that all NDUS institutions are achieving their mission and objectives while adhering to ethical and legal standards. The board delegates operational responsibilities to the executive leadership team and monitors their performance against established policies and goals.

In fulfilling its mission and vision, the SBHE will govern the institutions in the NDUS in accordance with the North Dakota Constitution and state statutes and will be guided by the belief statements and core values adopted by the SBHE. The people of North Dakota created the SBHE through the North Dakota Constitution to ensure the institutions and their employees were protected from political interference. Recognizing the legitimacy and importance of such protection and believing each institution properly retains substantial responsibility for its own affairs, the SBHE and the NDUS honor the integrity of each institution and its people. The SBHE will provide the leadership and governing environment necessary to maximize the opportunities for the NDUS institutions to be successful in fulfilling their individual missions and enhancing the economic and social vitality of North Dakota.

~~3.4.~~ The North Dakota Constitution provides the SBHE with broad powers and specifies the SBHE retains any powers it does not specifically delegate to the institutions. The SBHE has adopted the following guiding principles regarding the responsibility of the SBHE, as stewards of the NDUS, and the institutions.

- a. SBHE approval for new or discontinued programs and organizational units ensures the overall pattern of service to the state is coherent and efficient.
- b. ~~SBHE review of institutional and program quality ensures the institutions provide positive educational experiences and seek continually to improve. Academic program quality and faculty quality determinations are made by faculty peers and institution administrators. The SBHE's responsibility is to support,~~ provides oversight, and holds the institutions accountable for institutional and program quality that ensures positive educational experiences that continually seeks improvement for results.
- c. SBHE budget guidelines and final approval of budget requests promote equity and appropriate investment of state resources throughout the NDUS.
- d. The SBHE will use a systemwide prioritization process for establishing capital/building requests. SBHE priority setting of capital/building facility requests promotes the equitable funding of NDUS facilities funding on a systemwide, prioritized process. the based on statewide need.
- e. On matters that involve major costs for equipment or facilities which could be shared effectively among institutions, such as computing and telecommunications, the SBHE expects and will help facilitate such sharing.

- f. The SBHE sets NDUS priorities regarding all requests of the legislature and executive branch. Those representing the institutions are not to undermine those priorities.
- g. The SBHE is the appointing authority for institution presidents and has final authority concerning contract terms. The SBHE shall exercise this authority in consultation with the Chancellor and has delegated to the Chancellor authority to conduct searches and recommend a candidate and contract terms to the SBHE.
- h. The SBHE delegates substantial authority and responsibility to each institution's president through the Chancellor, as defined in SBHE Policy 305.1, and holds each accountable for performance.
- i. The SBHE shall have access to information about students, programs, faculty, staff, and finances of each institution to carry out its responsibilities.
- j. The Chancellor shall alert the SBHE when 's attention any difficulties in the application of any of the above responsibilities ~~that~~ threaten to impede institutional effectiveness or efficiency. The SBHE is committed to free and fair inquiry and just resolution of such difficulties.
- k. General education courses and programs are central to the mission of all NDUS institutions and overlap among institutions is expected and necessary. However, the SBHE will continue to guard against unnecessary program duplication and collaborative delivery will be encouraged where the quality of the program can be maintained and the total cost of delivery can be reduced.
- l. Professional, technical, vocational, and graduate courses and programs require institutional and SBHE judgments regarding their number and missions.
- m. The SBHE retains authority for naming, professorship and endowed chairs, physical structures, ~~a~~ and academic units including a college, school, department, center or institute and academic units including a college, school, department, center or institute.

5. Members of the SBHE will comply with the conflict of interest policy (SBHE Policy 308.4). ~~Members of the SBHE shall not serve on other NDUS campus-based boards or campus-based foundation boards.~~ This ensures that the SBHE operates in an ethical and transparent manner and avoids the potential for competing interests that may influence decision-making or create the appearance of a conflict of interest.

~~4.6.~~ Within the framework of the NDUS is a division of labor between the Chancellor and the services operating at each institution. In addition to a strong SBHE and Chancellor, achieving the advantages and purposes of a multi-institution NDUS require the energies, leadership, and talent of equally strong presidents who are dedicated to the mission and goals of their respective institution. While the principal role of the SBHE and Chancellor lie in policy, overall direction, and planning, the leadership demanded of the presidents is primarily focused on implementation and direct operational control. Generally, system-level services exist only when there is a strong rationale justifying cost efficiencies and unnecessary duplication of functions. These include academic policy, planning, and quality assessment; capital planning and construction; budgeting; human resources policy and compliance; institutional research; risk management; auditing; legal services; information technology systems and services shared among the institutions; and legislative and community relations.

- ~~5.7.~~ The Chancellor is the chief executive officer of the SBHE and NDUS and exercises such powers as are necessary for SBHE and NDUS governance and functions. Chancellor duties and responsibilities are delegated in SBHE Policy 304.1 and other SBHE policies or directives.
8. A president is the chief executive officer of their respective institution and a member of the Chancellor's executive staff. The presidents report to and are responsible to the Chancellor. This designation includes the right and responsibility to manage the institution within the overall policies and directives issued by the Chancellor and SBHE. Presidents' duties and responsibilities are delegated in SBHE Policy 305.1 and other SBHE policies or SBHE or Chancellor directives.
9. SBHE members shall engage in transparent communication between one another to effectuate the duties vested in them through section 6 of article VIII of the Constitution of North Dakota and N.D.C.C. § 15-10-17, within the limits of open meeting law.
- a. The SBHE and each of its members have the right to receive current and historic information relating to the specific powers and duties under section 6 of article VIII of the Constitution of North Dakota and N.D.C.C. § 15-10-17.
 - b. Requests for existing information or records will be fulfilled by the Chancellor or designated staff within the limits of available staffing and resources while in compliance with state and federal laws (Family Educational Rights and Privacy Act/ (FERPA) and Health Insurance Portability and Accountability Act/ (HIPPA)) as well as best practices for non-disclosure of Personal Identifiable Information (PII).
 - c. Requests to create new records or customized information must be approved by the SBHE chair.
 - d. The SBHE will be notified of all requests to release closed or confidential records, as defined in N.D.C.C. ch. 44-04. A member of the SBHE will not be denied access to a record, current or historical, that is closed or confidential, unless releasing such record is otherwise prohibited by law.

REFERENCE: N.D. Const. Art. VIII, § 6; N.D.C.C. §§ 15-10-01.2, [15-10-17](#); [N.D.C.C. ch. 44-04](#); SBHE Policy [304.1](#), [305.1](#), [308.4](#).

HISTORY: New policy, SBHE minutes, March 30, 2001; Amendment, SBHE minutes, April 15, 2004; Amendment, SBHE minutes, September 26, 2012; Revised by legal counsel, April 30, 2018.



State Board of Higher Education Policy Summary

Title: Policy 302.2 Audit Committee

Proposed action: Approve/deny the revised SBHE Audit Committee Policy.

Background information: The policy has been revised to align policy with practice, remove items that are no longer completed by the Audit Committee, and comply with the SBHE policy drafting manual. This summary includes the policy with the tracked changes and a clean version of the revised policy.

Financial matters: N/A

Legal/policy matters: N/A

Academic matters: N/A

Review Process:

Legal Review	6/5/2023	Recommends moving forward
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Chancellor's recommendation:

Committee Review:

Audit	6/21/2023	
SBHE	6/27/2023	1 st Read

Contact information:

Dina Cashman, Chief Audit Executive, 701-224-2552, dina.cashman@ndus.edu

**NORTH DAKOTA
STATE BOARD OF HIGHER EDUCATION
Policy Manual**

Policy: 302.2 Audit Committee

Effective: May 29, 2020

1. The SBHE shall establish an audit committee to fulfill its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the NDUS process for monitoring compliance with laws, policies, regulations and the code of conduct. The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility, including:
 - a. Appoint, compensate, and oversee the work of any registered public accounting firm employed by the organization;
 - b. Resolve any disagreements between management and the auditor regarding financial reporting
 - c. Pre-approve all auditing and non-audit services;
 - d. Retain independent counsel and request appointment of legal counsel by the attorney general as a special assistant attorney general, accountants, or others to advise the audit committee or assist in the conduct of an investigation;
 - e. Seek any information it requires from employees, ~~whom~~ who are directed to cooperate with the committee's requests, or external parties; and
 - f. Meet with officers, external auditors, or outside counsel, as necessary.
2. Each member shall be free of any relationship that would interfere with their exercise of independent judgment or give the appearance of a conflict of interests. The majority of the members must be knowledgeable about financial matters.
- 2.3. Non-compliance with any of the following, within a timely manner, ~~will~~ may result in the audit committee recommending to the SBHE that the respective institution pay for the services of an audit by an external, independent firm, selected by the audit committee, the chief audit executive and the compliance officer, or increase the amount that is assessed by the NDUS to the institution for audit and compliance functions:
 - a. Any requests or requirements of any NDUS internal audit staff;
 - b. Any requests or requirements of the state auditor's office; or

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c. Documented implementation plans.

~~1.~~ 4. The committee shall consist of three voting members of the SBHE and the Chancellor shall serve, ex officio, as a non-voting member of the committee. ~~Each committee member shall be both independent and financially literate.~~ The SBHE ~~president~~ Chair will appoint committee members as well as the committee chair by June ~~30th~~ thirtieth of each year to serve one-year terms starting July ~~1st~~ first. The SBHE ~~Chair~~ president may also appoint additional members to serve, ex officio, as non-voting members of the committee. If a vacancy on the committee occurs before June ~~30th~~ thirtieth, the SBHE Chair ~~president~~ shall appoint a voting member of the SBHE to fill the vacancy no later than the next regular meeting of the SBHE after the vacancy occurs.

~~3.4.~~ The committee shall set a meeting schedule for the year at the committee's first meeting after July ~~1st~~ first. Meetings shall comply with all applicable laws, including the necessary posting of notice, the preparation of agendas in advance of meetings, and the recording of minutes for each meeting.

~~4.5.~~ The committee ~~will~~ shall carry out the following responsibilities:

a. Financial statements:

- i. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- ii. Review with management and the external auditors the results of an audit, including any difficulties encountered.
- ~~iii. Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.~~

~~iv-iii.~~ Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.

iv. Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.

~~v. Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.~~

~~vi. Review interim financial reports with management and the external auditors and consider whether they are complete and consistent with the information known to committee members.~~

b. Internal control:

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- i. Consider the effectiveness of the NDUS internal control system, including information technology security and control.

- ii. Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, with management's responses.

ii-c. Organization:

b. Organization:

- i. The NDUS chief audit executive (executive) reports functionally to the Audit committee and administratively to the NDUS Chancellor.
- ii. ~~and~~ The NDUS compliance officer (officer), report reports directly to the Vice Chancellor for Administrative Affairs, with an indirect reporting line to the Audit committee.
- iii. The Audit committee ~~will~~ shall ensure that there are no unjustified restrictions or limitations in the course of performing audit engagements, including restrictions on the scope of work and access to required information
- ~~iii~~ iv. Approve the decisions regarding and review and concur in the appointment and removal, replacement or dismissal of the executive or the officer.
- ~~iv~~ v. Obtain regular updates from the executive and the officer, management, the SBHE, and the attorney general regarding relevant matters.
- ~~v~~ vi. Review with the executive or the officer the internal audit or compliance budget, resource plans, activities and organizational structure.
- ~~vi~~ vii. At least once per year, review the performance of the executive and the officer and recommend the annual compensation and salary adjustment.

e-d. Internal audit:

- i. Approve an internal audit charter.
- ii. Approve the risk-based annual audit plan and all major changes to the plan. Review the internal audit activity performance relative to its plan.
- iii. Review the effectiveness of the internal audit function, including conformance with the following publications of the institute of internal auditors: the definition of internal auditing, code of ethics, and the international standards for professional practice of internal auditing.

i.

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~~d.e.~~ External audit:

- i. Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- ii. Review the performance of the external auditors, as applicable.
- iii. Meet with the external auditors to discuss relevant matters, as needed.

~~e.f.~~ Compliance:

- i. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of the officer's or management's investigation and follow-up of any instances of noncompliance, including review of disciplinary action.
- ii. Review the findings of any examinations by the officer, regulatory agencies, and any auditor observations.
- iii. Review the process for communicating the code of conduct to SBHE members and NDUS personnel, and for monitoring compliance therewith.

~~f.g.~~ Reporting responsibilities:

- i. Regularly report to the SBHE about committee activities, issues, and related recommendations.
- ii. Provide an open avenue of communication between internal audit, the external audit, and the SBHE.
- iii. Review any other reports the system or institutions issue that relate to committee responsibilities.

~~g.h.~~ Other responsibilities:

- i. Perform other activities related to this policy as requested by the SBHE.
- ii. Institute and oversee special investigations as needed. Efforts should be made to keep the SBHE informed of such special investigations ~~within the confines of open meetings laws~~ as permitted by law.
- iii. Review and assess the adequacy of the committee policy annually, requesting SBHE approval for proposed changes, and ensure appropriate disclosure as may be required by law, policy or regulation.
- iv. Confirm annually that all responsibilities outlined in this policy have been carried out.

~~v. Evaluate the committee and individual member performance on a regular basis.~~

| History: New policy, SBHE minutes, February 27, 2014; Amended, SBHE minutes, June 17, 2016; Amended, SBHE minutes, June 28, 2018; Amended, SBHE minutes, May 29, 2020.

CLEAN REVISED VERSION

**NORTH DAKOTA
STATE BOARD OF HIGHER EDUCATION
Policy Manual**

Policy: 302.2 Audit Committee

Effective:

-
1. The SBHE shall establish an audit committee to fulfill its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the NDUS process for monitoring compliance with laws, policies, regulations and the code of conduct. The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility, including:
 - a. Appoint, compensate, and oversee the work of any registered public accounting firm employed by the organization;
 - b. Resolve any disagreements between management and the auditor regarding financial reporting
 - c. Pre-approve all auditing and non-audit services;
 - d. Retain independent counsel and request appointment of legal counsel by the attorney general as a special assistant attorney general, accountants, or others to advise the audit committee or assist in the conduct of an investigation;
 - e. Seek any information it requires from employees, who are directed to cooperate with the committee's requests, or external parties; and
 - f. Meet with officers, external auditors, or outside counsel, as necessary.
 2. Each member shall be free of any relationship that would interfere with their exercise of independent judgment or give the appearance of a conflict of interests. The majority of the members must be knowledgeable about financial matters.
 3. Non-compliance with any of the following, within a timely manner, may result in the audit committee recommending to the SBHE that the respective institution pay for the services of an audit by an external, independent firm, selected by the audit committee, the chief audit executive and the compliance officer, or increase the amount that is assessed by the NDUS to the institution for audit and compliance functions:
 - a. Any requests or requirements of any NDUS internal audit staff;
 - b. Any requests or requirements of the state auditor's office; or
 - c. Documented implementation plans.
 4. The committee shall consist of three voting members of the SBHE and the Chancellor shall serve, ex officio, as a non-voting member of the committee. The SBHE Chair will appoint committee members as well as the committee chair by June thirtieth of each year to serve one-year terms starting July first. The SBHE Chair may also appoint additional members to serve, ex officio, as non-voting members of the committee. If a vacancy on the committee occurs before

June thirtieth, the SBHE Chair president shall appoint a voting member of the SBHE to fill the vacancy no later than the next regular meeting of the SBHE after the vacancy occurs. The committee shall set a meeting schedule for the year at the committee's first meeting after July first. Meetings shall comply with all applicable laws, including the necessary posting of notice, the preparation of agendas in advance of meetings, and the recording of minutes for each meeting.

5. The committee shall carry out the following responsibilities:

- a. Financial statements:
 - i. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
 - ii. Review with management and the external auditors the results of an audit, including any difficulties encountered.
 - iii. Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
 - iv. Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.
- b. Internal control:
 - i. Consider the effectiveness of the NDUS internal control system, including information technology security and control.
 - ii. Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, with management's responses.
- c. Organization:
 - i. The NDUS chief audit executive (executive) reports functionally to the Audit committee and administratively to the NDUS Chancellor.
 - ii. The NDUS compliance officer (officer), reports directly to the Vice Chancellor for Administrative Affairs, with an indirect reporting line to the Audit committee.
 - iii. The Audit committee shall ensure that there are no unjustified restrictions or limitations in the course of performing audit engagements, including restrictions on the scope of work and access to required information
 - iv. Approve the decisions regarding the appointment and removal the executive or the officer.
 - v. Obtain regular updates from the executive and the officer, management, the SBHE, and the attorney general regarding relevant matters.
 - vi. Review with the executive or the officer the internal audit or compliance budget, resource plans, activities and organizational structure.
 - vii. At least once per year, review the performance of the executive and the officer and recommend the annual compensation and salary adjustment.
- d. Internal audit:
 - i. Approve an internal audit charter.

- ii. Approve the risk-based annual audit plan and all major changes to the plan. Review the internal audit activity performance relative to its plan.
 - iii. Review the effectiveness of the internal audit function, including conformance with the following publications of the institute of internal auditors: the definition of internal auditing, code of ethics, and the international standards for professional practice of internal auditing.
- e. External audit:
 - i. Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
 - ii. Review the performance of the external auditors, as applicable.
 - iii. Meet with the external auditors to discuss relevant matters, as needed.
- f. Compliance:
 - i. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of the officer's or management's investigation and follow-up of any instances of noncompliance, including review of disciplinary action.
 - ii. Review the findings of any examinations by the officer, regulatory agencies, and any auditor observations.
 - iii. Review the process for communicating the code of conduct to SBHE members and NDUS personnel, and for monitoring compliance therewith.
- g. Reporting responsibilities:
 - i. Regularly report to the SBHE about committee activities, issues, and related recommendations.
 - ii. Provide an open avenue of communication between internal audit, the external audit, and the SBHE.
 - iii. Review any other reports the system or institutions issue that relate to committee responsibilities.
- h. Other responsibilities:
 - i. Perform other activities related to this policy as requested by the SBHE.
 - ii. Institute and oversee special investigations as needed. Efforts should be made to keep the SBHE informed of such special investigations as permitted by law.
 - iii. Review and assess the adequacy of the committee policy annually, requesting SBHE approval for proposed changes, and ensure appropriate disclosure as may be required by law, policy or regulation.
 - iv. Confirm annually that all responsibilities outlined in this policy have been carried out.

History: New policy, SBHE minutes, February 27, 2014; Amended, SBHE minutes, June 17, 2016; Amended, SBHE minutes, June 28, 2018; Amended, SBHE minutes, May 29, 2020.



**State Board of Higher Education
Policy Summary**

Title: Policy 306.2 Internal Audit Charter

Proposed action: Approve/deny the revised SBHE Internal Audit Charter.

Background information: The policy has been revised to align policy with practice, comply with Institute of Internal Auditors standards, and separate the NDUS internal audit function's charter from the UND and NDSU internal audit functions' charter. Part A of the policy will apply to the NDUS internal audit function. Part B will apply to the UND and NDSU internal audit functions. Approval of Part B will be sought at a future meeting. This summary includes the policy with the tracked changes and a clean version of the revised policy.

Financial matters: N/A

Legal/policy matters: N/A

Academic matters: N/A

Review Process:

Legal Review	6/8/2023	Recommends moving forward
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Chancellor's recommendation:

Committee Review:

Audit	6/21/2023	
SBHE	6/27/2023	1 st Read

Contact information:

Dina Cashman, Chief Audit Executive, 701-224-2552, dina.cashman@ndus.edu

**NORTH DAKOTA
STATE BOARD OF HIGHER EDUCATION
Policy Manual**

Policy: 306.2 Internal Audit Charter

Effective: May 30, 2019

North Dakota University System Internal Audit Charter.

A. This Charter applies to the North Dakota University System Internal Audit.

1. IntroductionINTRODUCTION:

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the North Dakota University System (NDUS). It assists NDUS in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, and internal control.

2. ROLE AND OBLIGATION:

~~The~~The internal audit activity is established by the State Board of Higher Education (Board). The internal audit activity's responsibilities are defined by the Board and the Audit Committee as part of their oversight role.

~~The internal audit activity of NDUS is responsible for conducting system wide audits as well as institution specific audits, including the NDUSO and CTS, for those institutions that do not directly employ internal audit staff. Each research institution shall directly employ its own internal audit staff.~~

2. Standards for the Professional Practice of Internal Auditing:

3. PROFESSIONALISM:

- a. The internal audit activity will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.
- b. The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to relevant Board policies and procedures and the internal audit activity's standard operating procedures manual.

3. OrganizationAUTHORITY:

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~~e. The internal audit activity of NDUS will consist of the NDUS chief audit executive (CAE) and any internal audit staff or consultants hired by the system office.~~

~~a.~~

~~d. The NDUS Internal Audit CAE will report functionally to the Audit Committee and administratively (i.e. day to day operations) to the NDUS Chancellor.~~

~~b.~~

~~c. NDSU and UND directly employ their own internal audit staff. The NDSU and UND internal auditors follow the North Dakota Institutions' internal audit charter.~~

4. Authority:

The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all NDUS (and affiliated organizations) records, physical properties, and personnel pertinent to carrying out any engagement. All NDUS (and affiliated organizations) employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Board and Audit Committee.

• ORGANIZATION:

~~1. The internal audit activity of NDUS will consist of the NDUS chief audit executive (CAE) and any internal audit staff or consultants hired by the system office or any of the institutions which comprise the NDUS system.~~

~~a. The CAE will report functionally to the Audit Committee and administratively (i.e. day to day operations) to the NDUS Chancellor.~~

~~b. Institutionally based internal audit activity will report functionally and administratively to the institutional chief executive officer and if warranted, to the Audit Committee.~~

~~c. In the event that institutionally based internal audit activity is performed at other than a home institution, said internal audit activity will report functionally to the institutional chief executive officer of the institution where the work is being performed. Administrative reporting is unchanged.~~

~~d. All internal audit activity, regardless of location, have an indirect report to the CAE and the Audit Committee.~~

~~e. a. The Board and Audit Committee will shall:~~

- ~~i. Review and a~~ Approve the internal audit charter.
- ii. Approve the risk based internal audit plan.
- iii. Approve the internal audit budget and resource plan for the CAE.
- iv. Receive communications from the CAE on the NDUS internal audit staff activity's performance relative to its plan and other matters.
- v. Approve ~~Make~~ decisions regarding the appointment and removal of the CAE.
- vi. Recommend and a Approve the remuneration of the CAE.

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- vii. Make appropriate inquiries of management ~~NDUS senior staff~~ and the CAE to determine whether there is inappropriate scope or resource limitations.
- viii. Make recommendations to the SBHE to take actions based on reports received from the CAE; and
- ix. Review disputes regarding investigations, reports, or recommendations issued by the CAE.

b. ~~e.~~ The CAE will communicate and interact directly with the Board and Audit Committee, including in executive sessions and between Board meetings as appropriate.

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5. Independence and Objectivity ~~INDEPENDENCE AND OBJECTIVITY:~~

~~—The CAE shall ensure that~~ The internal audit activity will remain free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an independent and unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the CAE determines that independence or objectivity may be impaired in fact or appearance, the details of any such impairment will be disclosed to the Chancellor and the Audit Committee.

a. ~~interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.~~

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b. ~~-The NDUS Internal Audit shall maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.~~

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c. ~~The NDUS~~ Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement, including:

- i. Assessing specific operations for which they had responsibility within the previous year;
- ii. Performing any operational duties for the SBHE, the NDUS, or the institutions;
- iii. Initiating or approving transactions external to the NDUS internal audit activity;
- or
- iv. Directing the activities of any NDUS or institutional employee not employed by the NDUS Internal Audit, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

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~~a. would normally be subject to review. However, Internal Audit may be consulted when new systems or procedures are designed to ensure they adequately address internal controls.~~

~~—If the CAE is assigned duties or responsibilities that fall outside of this Charter, safeguards will be established to avoid potential impairment to independence or objectivity.~~

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d.

c. Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments. NDUS Internal auditors shall:

- i. Disclose any actual or apparent impairment of independence or objectivity to the appropriate party.
- ii. Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- iii. Make balanced assessments of all available and relevant facts and circumstances.
- iv. Take necessary precautions to avoid being unduly influenced by personal interests or by others in forming judgments.

f. The CAE shall disclose to the Audit Committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

b-g. The CAE will confirm to the Board, at least annually, the organizational independence of the internal audit activity.

6. Scope of Internal Audit Authority RESPONSIBILITY:

a. Assurance Services. The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of evidence for the purpose of providing independent assessments to the SBHE and management on the of the adequacy and effectiveness of the organization's governance, risk management, and internal control processes for NDUS, as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. This includes evaluating whether:

- i. Evaluating risk exposure relating to achievement of the organization's strategic objectives are appropriately identified and managed.
- ii. Whether the actions of SBHE and NDUS officers, directors, employees, and contractors are in compliance with SBHE policies, NDUS procedures, and applicable laws, regulations, and governance standards;
- iii. Whether the results of operations or programs are consistent with established goals and objectives;
- iv. The adequacy and effectiveness of the organization's governance, risk management, and internal controls, as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.
- v. Whether operations or programs are being carried out effectively and efficiently.
- vi. The processes and systems that enable compliance with policies, procedures, laws, and regulations;

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- vii. Whether information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
 - ~~†viii.~~ Whether resources and assets are acquired economically, used efficiently, and protected adequately.
- b. The CAE shall report periodically to the NDUS Chancellor and the Audit Committee regarding:
 - i. NDUS Internal Audit's purpose, authority, and responsibility;
 - ii. NDUS Internal Audit's audit plan and performance relative to the audit plan;
 - iii. NDUS Internal Audit's conformance with The Institute of Internal Audit's Code of Ethics and Standards, and action plans to address any significant conformance issues.
 - iv. Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the SBHE.
 - v. Results of audit engagements or other activities;
 - vi. Resource requirements; or
 - ~~†vii.~~ Any response to risk by management that may be high risk.
- c. The CAE shall coordinate the activities of and may rely on the work of other internal and external assurance and consulting service providers as engaged on consultation with the SBHE.
- d. The NDUS Internal Audit may identify opportunities to improve the efficiency of governance, risk management, and control processes ~~may be identified~~ during audit engagements. To the extent appropriate, such opportunities shall be communicated to the appropriate level of management.
- e. Consulting Services: NDUS Internal Audit provides consulting services in an advisory capacity, and are generally performed at the specific request of the Chancellor or NDUS institutional chief executive officers. The nature and scope of the consulting engagement are subject to agreement with management. Consulting may range from formal engagements with defined scopes and objectives to advisory activities such as providing informal guidance in response to general inquiries. When performing consulting services the internal auditor should maintain objectivity and not assume management responsibility.
 - ~~a. —~~
 - ~~b. Evaluating the reliability and integrity of information and the means used to identify measure, classify, and report such information.~~
 - ~~c. Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.~~
 - ~~d. Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.~~

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- e. ~~Evaluating the effectiveness and efficiency with which resources are employed.~~
- f. ~~Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.~~
- g. ~~Follow up, as needed, on the implementation of planned corrective action by auditees on issued internal audit recommendations.~~
- h. ~~Monitoring and evaluating governance processes.~~
- i. ~~Monitoring and evaluating the effectiveness of the organization's risk management processes.~~
- j. ~~Evaluating the quality of performance of external auditors and the degree of coordination with internal audit.~~
- k. ~~Performing consulting and advisory services related to governance, risk management and internal control as appropriate for the organization.~~
- l. ~~Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.~~
- m. ~~Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Board.~~
- n. ~~Evaluating specific operations at the request of the Board or Chancellor, or institutional chief executive officers, as appropriate.~~

7. ~~Responsibility~~INTERNAL AUDIT PLAN:

- a. The NDUS internal audit staff is responsible for conducting system-wide audits, including the NDUS system office and NDUS Core Technology Services (CTS). It will also conduct internal audits and consulting services for institutions that do not directly employ internal audit staff. The two research institutions, UND and NDSU, shall directly employ ~~its~~their own internal audit staff. ~~†~~Those auditors shall have primary responsibility for conducting audit activities on their employing campus.
- b. The CAE has the responsibility to:
 - i. Submit, at least annually, to the Chancellor and the Audit Committee a risk-based internal audit plan for review and approval;
 - ii. Communicate to the Chancellor and Audit Committee the impact of resource limitations on the internal audit plan;
 - iii. Review and adjust the internal audit plan, in consultation with the Audit Committee as necessary, in response to changes in NDUS's business, risks, operations, programs, systems, and controls;
 - iv. Communicate to the Chancellor and the Audit Committee any significant interim changes to the internal audit plan.

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- v. Ensure that each engagement of the internal audit plan is executed, including: the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- vi. Follow up on engagement findings and corrective actions, and reports periodically to the Chancellor and the Audit Committee any corrective actions or recommendations not effectively implemented;
- vii. Ensure the NDUS Internal Audit applies and upholds the principles of integrity, objectivity, confidentiality, and competency;
- viii. Maintain a professional audit staff that collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the this Charter;
- ix. Remain current on trends and emerging issues that could impact NDUS and communicate the same to the Chancellor and Audit Committee as appropriate;
- x. Consider adopting emerging trends and successful practices in internal auditing
- xi. Establish and ensure adherence to SBHE policies and NDUS procedures designed to guide the NDUS Internal Audit;
- xii. Ensure that the NDUS Internal Audit adheres to relevant SBHE policies and NDUS procedures. Any conflicts between this Charter and SBHE policies and NDUS procedures shall be resolved in consultation with the Audit Committee and the Chancellor;
- xiii. Review and update the NDUS Internal Audit Charter at least every three years, or more if changes are warranted, and provide the updated Internal Audit Charter to the Audit Committee for review and approval.
- xiv. Ensure that the NDUS Internal Audit conforms with the Institute of Internal Audit Standards, with the following qualifications:
 - 1. If the NDUS Internal Audit is prohibited by law or regulation from conformance with certain parts of the Institute of Internal Audit Standards, the CAE will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - +2. If the Institute of Internal Audit Standards are used in conjunction with requirements issued by other authoritative bodies, the CAE shall ensure that the NDUS Internal Audit conforms with the Institute of Internal Audit Standards, even if the NDUS Internal Audit also conforms with the more restrictive requirements of other authoritative bodies.

- c. The majority of audits are planned, however that does not preclude Internal Audit from conducting unplanned audits, following the same standards of engagement and reporting as planned audits. As unplanned projects are required, they are included in the overall plan for the year. Any significant deviation from the approved internal audit plan will be communicated to the Chancellor, institutional chief executive officers, the Board, and Audit Committee through periodic activity reports.

~~At least annually, the CAE will submit to the Chancellor, institutional chief executive officers, and the Board an internal audit plan for review and approval. The internal audit plan will consist of a~~

work schedule as well as budget and resource requirements for the next fiscal year. The CAE will communicate the impact of resource limitations and significant interim changes to the Chancellor, institutional chief executive officers, the Board, and Audit Committee.

The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of the Chancellor, institutional chief executive officers, and the Board. The CAE will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls.

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7. REPORTING AND MONITORING:

- a. A written report will be prepared and issued by the CAE, designee, or institutional internal audit staff or designee following the conclusion of each internal audit engagement and will be provided to the Chancellor and appropriate institutional chief executive officer(s).
- b. Internal audit reports issued by any institutional internal audit activity will be submitted to the CAE in a timely manner.
- c. Internal audit results will also be communicated to the Board and Audit Committee.
- d. The internal audit report may include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter (i.e. within thirty days) by management of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.
- e. The internal audit activity will be responsible for appropriate follow up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared.
- f. The CAE will periodically report to the Chancellor, institutional chief executive officers, the Board, and Audit Committee on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Chancellor, institutional chief executive officers, the Board, and Audit Committee.

8. Quality Assurance and Improvement program ~~QUALITY ASSURANCE AND IMPROVEMENT PROGRAM:~~

- a. The NDUS internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code

of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

- b. The CAE will communicate to the Chancellor, institutional chief executive officers, ~~the Board, and~~ Audit Committee and the Board on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.

History: New policy, SBHE minutes, May 30, 2019.

CLEAN REVISED VERSION

**NORTH DAKOTA
STATE BOARD OF HIGHER EDUCATION
Policy Manual**

Policy: 306.2 Internal Audit Charter

Effective:

A. North Dakota University System Internal Audit Charter. This Charter applies to the North Dakota University System Internal Audit.

1. Introduction:

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the North Dakota University System (NDUS). It assists NDUS in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, and internal control.

The internal audit activity is established by the State Board of Higher Education (Board). The internal audit activity's responsibilities are defined by the Board and the Audit Committee as part of their oversight role.

2. Standards for the Professional Practice of Internal Auditing:

- a. The internal audit activity will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (Standards). This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.
- b. The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the internal audit activity will adhere to relevant Board policies and procedures and the internal audit activity's standard operating procedures manual.

3. Organization:

- a. The internal audit activity of NDUS will consist of the NDUS chief audit executive (CAE) and any internal audit staff or consultants hired by the system office.
- b. The NDUS Internal Audit CAE will report functionally to the Audit Committee and administratively (i.e. day to day operations) to the NDUS Chancellor.
- c. NDSU and UND directly employ their own internal audit staff. The NDSU and UND internal auditors follow the North Dakota Institutions' internal audit charter.

4. Authority:

The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorized full, free, and unrestricted access to any and all NDUS (and affiliated organizations) records, physical properties, and personnel pertinent to carrying out any engagement. All NDUS (and affiliated organizations) employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Board and Audit Committee.

- a. The Audit Committee shall:
 - i. Approve the internal audit charter.
 - ii. Approve the risk based internal audit plan.
 - iii. Approve the internal audit budget and resource plan for the CAE.
 - iv. Receive communications from the CAE on the NDUS internal audit staff's performance relative to its plan and other matters.
 - v. Approve decisions regarding the appointment and removal of the CAE.
 - vi. Approve the remuneration of the CAE.
 - vii. Make appropriate inquiries of management and the CAE to determine whether there is inappropriate scope or resource limitations.
 - viii. Make recommendations to the SBHE to take actions based on reports received from the CAE; and
 - ix. Review disputes regarding investigations, reports, or recommendations issued by the CAE.
- b. The CAE will communicate and interact directly with the Board and Audit Committee, including in executive sessions and between Board meetings as appropriate.

5. Independence and Objectivity:

- a. The CAE shall ensure that the internal audit activity will remain free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an independent and unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the CAE determines that independence or objectivity may be impaired in fact or appearance, the details of any such impairment will be disclosed to the Chancellor and the Audit Committee.
- b. The NDUS Internal Audit shall maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.
- c. The NDUS internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement, including:
 - i. Assessing specific operations for which they had responsibility within the previous year;
 - ii. Performing any operational duties for the SBHE, the NDUS, or the institutions;
 - iii. Initiating or approving transactions external to the NDUS internal audit activity;or

- iv. Directing the activities of any NDUS or institutional employee not employed by the NDUS Internal Audit, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.
 - d. If the CAE is assigned duties or responsibilities that fall outside of this Charter, safeguards will be established to avoid potential impairment to independence or objectivity.
 - e. NDUS Internal auditors shall:
 - i. Disclose any actual or apparent impairment of independence or objectivity to the appropriate party.
 - ii. Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
 - iii. Make balanced assessments of all available and relevant facts and circumstances.
 - iv. Take necessary precautions to avoid being unduly influenced by personal interests or by others in forming judgments.
 - f. The CAE shall disclose to the Audit Committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.
 - g. The CAE will confirm to the Board, at least annually, the organizational independence of the internal audit activity.
6. Scope of Internal Audit Authority:
- a. Assurance Services. The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of evidence for the purpose of providing independent assessments to the SBHE and management on the adequacy and effectiveness of the organization's governance, risk management, and control processes for NDUS. This includes evaluating whether:
 - i. Risk relating to achievement of the organization's strategic objectives are appropriately identified and managed;
 - ii. Whether the actions of SBHE and NDUS officers, directors, employees, and contractors are in compliance with SBHE policies, NDUS procedures, and applicable laws, regulations, and governance standards;
 - iii. Whether the results of operations or programs are consistent with established goals and objectives;
 - iv. The adequacy and effectiveness of the organization's governance, risk management, and internal controls, as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.
 - v. Whether operations or programs are being carried out effectively and efficiently.
 - vi. The processes and systems that enable compliance with policies, procedures, laws, and regulations;
 - vii. Whether information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.

- viii. Whether resources and assets are acquired economically, used efficiently, and protected adequately.
 - b. The CAE shall report periodically to the NDUS Chancellor and the Audit Committee regarding:
 - i. NDUS Internal Audit's purpose, authority, and responsibility;
 - ii. NDUS Internal Audit's audit plan and performance relative to the audit plan;
 - iii. NDUS Internal Audit's conformance with The Institute of Internal Audit's Code of Ethics and Standards, and action plans to address any significant conformance issues.
 - iv. Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the SBHE.
 - v. Results of audit engagements or other activities;
 - vi. Resource requirements; or
 - vii. Any response to risk by management that may be high risk.
 - c. The CAE shall coordinate the activities of and may rely on the work of other internal and external assurance and consulting service providers as engaged on consultation with the SBHE.
 - d. The NDUS Internal Audit may identify opportunities to improve the efficiency of governance, risk management, and control processes during audit engagements. To the extent appropriate, such opportunities shall be communicated to the appropriate level of management.
 - e. Consulting Services: NDUS Internal Audit provides consulting services in an advisory capacity, and are generally performed at the specific request of the Chancellor or NDUS institutional chief executive officers. The nature and scope of the consulting engagement are subject to agreement with management. Consulting may range from formal engagements with defined scopes and objectives to advisory activities such as providing informal guidance in response to general inquiries. When performing consulting services the internal auditor should maintain objectivity and not assume management responsibility.
7. Responsibility:
- a. The NDUS internal audit staff is responsible for conducting system-wide audits, including the NDUS system office and NDUS Core Technology Services (CTS). It will also conduct internal audits and consulting services for institutions that do not directly employ internal audit staff. The two research institutions, UND and NDSU, shall directly employ their own internal audit staff. Those auditors shall have primary responsibility for conducting audit activities on their employing campus.
 - b. The CAE has the responsibility to:
 - i. Submit, at least annually, to the Chancellor and the Audit Committee a risk-based internal audit plan for review and approval;
 - ii. Communicate to the Chancellor and Audit Committee the impact of resource limitations on the internal audit plan;

- iii. Review and adjust the internal audit plan, in consultation with the Audit Committee as necessary, in response to changes in NDUS's business, risks, operations, programs, systems, and controls;
 - iv. Communicate to the Chancellor and the Audit Committee any significant interim changes to the internal audit plan.
 - v. Ensure that each engagement of the internal audit plan is executed, including: the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
 - vi. Follow up on engagement findings and corrective actions, and reports periodically to the Chancellor and the Audit Committee any corrective actions or recommendations not effectively implemented;
 - vii. Ensure the NDUS Internal Audit applies and upholds the principles of integrity, objectivity, confidentiality, and competency;
 - viii. Maintain a professional audit staff that collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the this Charter;
 - ix. Remain current on trends and emerging issues that could impact NDUS and communicate the same to the Chancellor and Audit Committee as appropriate;
 - x. Consider adopting emerging trends and successful practices in internal auditing
 - xi. Establish and ensure adherence to SBHE policies and NDUS procedures designed to guide the NDUS Internal Audit;
 - xii. Ensure that the NDUS Internal Audit adheres to relevant SBHE policies and NDUS procedures. Any conflicts between this Charter and SBHE policies and NDUS procedures shall be resolved in consultation with the Audit Committee and the Chancellor;
 - xiii. Review and update the NDUS Internal Audit Charter at least every three years, or more if changes are warranted, and provide the updated Internal Audit Charter to the Audit Committee for review and approval.
 - xiv. Ensure that the NDUS Internal Audit conforms with the Institute of Internal Audit Standards, with the following qualifications:
 - 1. If the NDUS Internal Audit is prohibited by law or regulation from conformance with certain parts of the Institute of Internal Audit Standards, the CAE will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - 2. If the Institute of Internal Audit Standards are used in conjunction with requirements issued by other authoritative bodies, the CAE shall ensure that the NDUS Internal Audit conforms with the Institute of Internal Audit Standards, even if the NDUS Internal Audit also conforms with the more restrictive requirements of other authoritative bodies.
- c. The majority of audits are planned, however that does not preclude Internal Audit from conducting unplanned audits, following the same standards of engagement and reporting as planned audits. As unplanned projects are required, they are included in the overall plan for the year. Any significant deviation from the approved internal audit plan will be

communicated to the Chancellor, institutional chief executive officers, the Board, and Audit Committee through periodic activity reports.

8. Quality Assurance and Improvement program:

- a. The NDUS internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.
- b. The CAE will communicate to the Chancellor, institutional chief executive officers, Audit Committee and the Board on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every five years.

History: New policy, SBHE minutes, May 30, 2019.

Summary of Proposed Action ND State Board of Higher Education

Title: Policy 311 Public Records

Proposed motion or action: Approve/deny the amended SBHE Policy 311 Public Records.

Background information: This amendment is necessary to comply with SB 2343 and to correspond with the amendments to SBHE Policy 100.6.

Financial issues or implications: None

Legal/policy issues or implications: The amendment, along with the amendments to SBHE Policy 100.6, bring the SBHE into compliance with SB 2343.

Review Process:

Legal/System Office/Council Reviews

Legal Review	5/15/2023	AAC	NA
Senior Staff	NA	Admin	NA
CIO	NA	SAC	NA
HRC	NA	Cabinet	NA

Committee Review

RGC	5/17/2023
SBHE	5/23/2023

Chancellor's recommendation: Chancellor Hagerott recommends approval

Two-Year/Polytechnic: [NA](#)

Regional/Dual Mission: [NA](#)

Research Tier: [NA](#)

Contact information:

Jerry Rostad, Vice Chancellor of Strategy and Strategic Engagement, 701-969-9229,
jerry.rostad@ndus.edu

**NORTH DAKOTA
STATE BOARD OF HIGHER EDUCATION
Policy Manual**

Policy: 311 Public Records

Effective: February 23, 2022

1. **Policy.** Except as otherwise specifically provided by law, all records of the State Board of Higher Education, the North Dakota University System, and its institutions are public records and should be open and accessible to inspection by the public.
2. **FERPA-Protected Records.** Student education records are confidential and access to those records is restricted according to the Family Education Rights and Privacy Act of 1974, as amended (FERPA). Pursuant to FERPA and applicable North Dakota law and policy, each institution shall, at minimum:
 - a. Adopt a policy as required by 34 CFR Section 99.7;
 - b. Comply with the requirements of SBHE Policy 503.2;
 - c. Notify students currently in attendance of their rights under FERPA no less frequently than annually;
 - b. Except as provided under FERPA and 34 CFR Section 99.31, relating to conditions under which personally identifiable information may be disclosed without consent, obtain a signed and dated written consent of the student before it discloses personally identifiable information from the students education records;
 - c. Maintain a record of each request for access to and each disclosure of student personally identifiable information from the education records of each student as required by 34 CFR Section 99.32;
 - d. Ensure that all vendors and state agencies with access to student personally identifiable information maintain records regarding access, use, and disclosure of such records;
 - e. Maintain copies of all agreements entered pursuant to FERPA regarding the disclosure of student personally identifiable information.
 - f. Provide the notice required by 34 CFR Section 99.37 concerning disclosure of directory information;
 - g. Adopt procedures implementing FERPA provisions governing release and transfer of student disciplinary records. Consistent with FERPA, student disciplinary records are confidential and may be released only as permitted under FERPA and implementing institution procedures; and
 - h. Comply with all other requirements of FERPA and applicable regulations.

The Chancellor shall adopt a procedure establishing a uniform, systemwide definition of directory information, which must be incorporated in required institution policies and apply to the system office.

Records of former students, including deceased former students, shall remain confidential for as long as the records are maintained. Such records may only be disclosed to the student or at the student's written, signed request, except those records of deceased former students may be released or disclosed at the request of a parent, personal representative, or other qualified representative of the student's estate, or pursuant to a court order or subpoena. NDUS Core Technology Services (CTS) will maintain all student records for a minimum of five years after graduation, and will maintain core student records, such as academic scores and attendance records, indefinitely, unless a campus provides alternative instructions for records relating to its former students.

3. Access to and disclosure of campus police records is governed by N.D.C.C. Section 44-04-18.7. Accordingly, active criminal intelligence information and active criminal investigative information are exempt from the open records law. Each campus law enforcement agency shall maintain a list of all files containing active criminal intelligence and investigative information which have been in existence for more than one year, which shall be subject to disclosure under N.D.C.C. Section 44-04-18.
 - a. Campus police records which are open and must be disclosed under Section 44-04-18.7 include:
 - i. Arrestee description, including name, date of birth, address, race, sex, physical description, and occupation of the arrestee;
 - ii. Facts concerning the arrest;
 - iii. Conviction information;
 - iv. Disposition of all warrants;
 - v. A chronological list of incidents, including initial offense report information;
 - vi. A crime summary, including a departmental summary of crimes reported and public calls for service;
 - vii. Radio log;
 - viii. General registers; and
 - ix. Arrestee photograph, if release will not adversely affect a criminal investigation.

Notwithstanding the foregoing, campus police records under this section shall not include student personally identifiable information obtained from education records protected by FERPA, and to the extent that information contained within campus police records is obtained from FERPA-protected records, that information is confidential and may not be released except as permitted by FERPA.

- b. Law enforcement records and files concerning a child, as that term is defined at N.D.C.C. ch. 27-20, shall be kept separate from the records and files of adults and shall not be open to public inspection and may not be disclosed except according to the provisions of N.D.C.C. ch. 27-20.
 - c. Records of undercover law enforcement officers are confidential and exempt from the open records law as provided by N.D.C.C. Section 44-04-18.3.
4. **Applications for Employment.** Documents and information submitted in response to a posted position for a vacant position (“Application Materials”) are exempt from public disclosure, except as follows:
- a. If fewer than three persons submit Application Materials by the date the job posting closes, then all submitted Application Materials shall be open to the public.
 - b. If more than three persons submit Application Materials in response to a posted position, then the hiring authority shall designate three or more finalists prior to making a hiring decision. Upon the designation of finalists, only the Application Materials submitted by the finalists shall be open to the public.
 - c. Prior to the designation of finalists, information contained in Application Materials may be utilized for the purposes of evaluating candidates for the posted position, including checking references, verifying eligibility, and similar purposes, even if doing so reveals identifying information about an applicant.
 - d. Some or all identifying information contained in an applicant’s Application Materials may be disclosed with the written consent of the applicant.

This Section constitutes the policy of the State Board of Higher Education as referenced in N.D.C.C. § 44-04-18.27.

5. **Personnel Records.** Personnel records are public records open to inspection by the public, except as follows:
- a. Personnel records that relate to an employee who is employed either in a federal work-study program or only as a result of their status as a student are confidential pursuant to FERPA.
 - b. Employee medical records and employee assistance program records are confidential, may not be placed in an employee's personnel file, and may not be released without the written consent of the employee or as otherwise provided by law. Records within the personnel file which contain medical information are exempt.
 - c. Personal information, as defined in section 44-04-18.1 (2), including a person’s home address, home telephone number, photograph, medical information, motor vehicle operator’s identification number, payroll deduction information, the name, address, phone number, date of birth of any dependent or emergency contact, any credit, debit, or electronic fund transfer card number, and any account number at a bank or other financial institution, are exempt from the open records law and may be released only as required by law, pursuant to SBHE policy, or with the employee’s written consent.
 - d. The Chancellor shall adopt a procedure establishing a uniform, systemwide procedure concerning release of exempt personal information, which must be incorporated in required institution

procedures and apply to the system office. Placement of documents in an employee's personnel file is governed by N.D.C.C. Section 54-06-21.

6. **Internal Auditors' Records.** The following provisions govern the records of an internal auditor employed by the SBHE, NDUS, or institution.
 - a. "Working papers" include records kept by an internal auditor of the procedures applied, the tests performed, the information obtained, draft audit reports, and the pertinent conclusions reached in the audit engagement.
 - b. The working papers of an internal auditor employed by the SBHE or an institution related to an ongoing audit are exempt from public disclosure while the audit is ongoing.
 - c. Draft audit reports of an internal auditor are exempt from public disclosure until the final audit report is released by the internal auditor.
 - d. Upon the release of the final audit report, all drafts and working papers are open to the public unless designated as confidential by the internal auditor. The designation of confidentiality must include the reason for the confidentiality and the approximate date when the working papers will be made public. Information or records included in working papers which are otherwise exempt or confidential under other federal or state law are not made open to the public by their inclusion in working papers.
 - e. This Policy applies only to formal audits of internal auditors, and not to other work performed by the internal auditors in the course of their employment.
7. **Fundraising and Donor Records.** Records related to donors or prospective donors are exempt from public disclosure, including the name, address, telephone number, electronic mail address, estate planning information, tax record or financial information, and other personal information and correspondence received or retained by the SBHE, NDUS, or an institution or their agents, including a nonprofit affiliate under SBHE Policy 340.2.
 - a. For the purposes of this section, "financial information" includes data that provides details regarding a gift, a payment schedule of a gift, the form of a gift, or the specific amount of a gift made by a donor.
 - b. In order to comply with this section, documents submitted to the Challenge Grant Review Committee in support of a request for matching funds shall be redacted by the submitting institution or the NDUS Office prior to submission to the Committee.
8. **Other Exempt or Confidential Records.** Additional records exempt from or confidential under the open records law include (without limitation):
 - a. Medical information or records in the possession of the SBHE, NDUS, or an institution other than in a personnel record, including but not limited to patient records at student health services and university system clinics (N.D.C.C. § 44-04-18.16; N.D.C.C. § 44-04-18.32).

- b. Information pertaining to an employee's retirement account balance, disability applications and benefits, and surviving spouse applications and benefits under N.D.C.C. ch. 54-52 or a plan adopted by the board (N.D.C.C. § 54-52-26);
 - c. Trade secret, proprietary, commercial and financial information (N.D.C.C. § 44-04-18.4 and SBHE Policy 611.6), including university research records and personally identifiable study information;
 - d. Computer software programs or components for which a copyright, patent or license is acquired (N.D.C.C. § 44-04-18.5);
 - e. Attorney work product (N.D.C.C. § 44-04-19.1(6)) and active litigation records (N.D.C.C. § 44-04-19.1(12));
 - f. Complaints submitted to the NDUS Office of Compliance and Ethics or an institution official, for the shorter of 75 days from the date of submission, or the conclusion of the investigation into the Complaint (N.D.C.C. § 44-04-18.1(6)).
 - g. Social security numbers, which are confidential under N.D.C.C. § 44-04-28; and
 - h. Title IX records at state universities and colleges (N.D.C.C. § 44-04-18.28).
9. **Disclosure of Public Records.** Copies of records that are not confidential or exempt from public disclosure shall be provided upon request.
- a. Records must only be provided in the form in which they are stored. If records are stored electronically, only an electronic copy may be provided, subject to providing a physical copy if a requestor does not have access to means to receive and review the electronic copy.
 - b. SBHE, NDUS, and institution records need only be provided in the form in which they are kept, and employees are not required to engage in summary, collation, collection, or preparation of data except as required to provide reasonable access the public record or data.
 - c. **Fees.** The NDUS (for itself and for the SBHE) may establish a fee schedule to cover the costs of locating, reviewing, copying, redacting, and producing records pursuant to this policy and any applicable NDUS or institution procedures, subject to the following limitations set forth in N.D.C.C. § 44-04-18:
 - i. The fee for standard paper copies may not exceed twenty-five cents per copy. No fee may be assessed for providing copies of electronic documents.
 - ii. A fee not to exceed twenty-five dollars per hour, excluding the first hour, may be charged per request for locating records.
 - iii. A fee not to exceed twenty-five dollars per hour for excising confidential or exempt material if excising the material requires more than one hour.
 - iv. If a request is made for access to a record on a backup an additional reasonable fee may be charged to cover costs attributable to the use of information technology resources.

The NDUS and institutions may waive any fees in the discretion of the Chancellor or institutional chief executive officer or their designee for this purpose. Prior to beginning any review for which a fee may be charged, the NDUS or institution must provide the requester with an estimate of such fee and request approval or pre-payment.

- d. **Legal Review.** The SBHE, NDUS, and institutions should seek legal counsel from the appropriate assigned attorney or other individual who has received training on proper redaction and production procedures prior to releasing information or records which may contain exempt or confidential information.
 - e. **Referral.** NDUS entities may not refer a request for the disclosure of records to another entity within the NDUS. If an NDUS entity does not have records, they may respond that they have no responsive records to the request. NDUS entities, may, but are not required to, provide information to a requester about what entity may have more records related to the request; however, providing such information does not eliminate the requirement to respond to the request.
10. Records which are designated as either “exempt” or “confidential” by N.D.C.C. § 44-04-18, *et seq.*, may only be released to the public as permitted by that statute or SBHE Policy.
- a. The following exempt records may only be released to the public by a roll call vote of the SBHE:
 - i. Exempt recordings of executive sessions of SBHE or SBHE committee meetings, including to ~~SBHE members and~~ NDUS employees.
 - ii. Attorney work product related to an active litigation matter or administrative proceeding, or which is prepared in imminent anticipation of the same, except as necessary to the litigation matter.
 - iii. Otherwise-exempt Application Materials submitted in response to a posted position in the NDUS Office or for the office of Chancellor or institution chief executive officer.
 - iv. Exempt personal information of SBHE members, the Chancellor, or an institution chief executive officer, except as necessary to carry out the business of the North Dakota University System, including but not limited to payroll or reimbursement.
 - b. The SBHE Audit Committee shall have the discretion to release exempt complaints received, by whatever means, by the Office of Internal Audit or the Office of Compliance and Ethics, except as set forth in this policy.
 - c. Unless otherwise provided by this Policy, if an exempt record is maintained by an institution under the control of the SBHE, the institution’s chief executive officer may determine whether to disclose the record to the public.
 - d. Unless otherwise provided by this Policy, if an exempt record is maintained by the NDUS Office or by the NDUS Office on the SBHE’s behalf, the Chancellor may determine whether to disclose the record to the public.
11. The Chancellor and institutions shall adopt procedures to implement a uniform process for responding to requests for the disclosure of records under this Policy.

12. The NDUS Office and each institution shall maintain a continuing program for the management of records as required by N.D.C.C. ch. 54-46 using the North Dakota Colleges/Universities General Records Retention Schedule maintained and updated by the ND Information Technology Department and as supplemented by institution-specific retention schedules maintained by individual institutions. Records received or created by Board members are governed by the NDUS Office program.
13. NDUS Core Technologies Services (CTS) retains employee email accounts for two years as required by statute, unless a different time is required by a litigation hold. Campuses shall be responsible for ensuring that any and all email communications that are subject to a different retention schedule are retained as required.
14. The North Dakota University System (NDUS) and its institutions shall immediately implement litigation hold procedures when they are involved in litigation, or it is reasonably foreseen that they may become involved in litigation. A litigation hold is the process of identifying and preserving materials that may be relevant to the litigation, including documents, electronic information, and other items. The Chancellor shall adopt a procedure implementing the litigation hold process.
15. The Chancellor shall adopt a procedure implementing provisions of the Financial Services Modernization Act of 1999 (Gramm Leach Bliley Act).

References: 15 U.S.C. § 6801; 20 U.S.C. § 1232g; 34 C.F.R. Part 99; N.D.C.C. ch. 15-10; N.D.C.C. ch. 44-04; N.D.C.C. § 54-06-21; N.D.C.C. ch. 54-46; SBHE Policy 503.2.

History: New policy, SBHE minutes, October 22, 1992; Amended, SBHE minutes, January 15, 1998; Amended, SBHE minutes, May 21, 1998; Amended, SBHE minutes, November 21, 2002; Amended, SBHE minutes, December 16, 2004; Amended, SBHE minutes, June 16, 2005; Amended, SBHE minutes, November 20, 2014 (the Amended to paragraph 7 will be effective March 1, 2015); Amended, SBHE minutes, September 28, 2017; Amended, SBHE minutes, February 23, 2022.

SBHE Committee Membership

2023-2024

Effective July 1, 2023

SBHE Chair / SBHE Vice Chair: Mr. Tim Mihalick / Dr. John Warford

ACADEMIC & STUDENT AFFAIRS COMMITTEE, SBHE Policy 302.1
Dr. John Warford (Chair)
Mr. Kevin Black
Mr. Curtis Biller
Ms. Sadie Hanson
Dr. Lisa Montplaisir, ex officio
Chancellor, ex officio
AUDIT COMMITTEE, SBHE Policy 302.2
Mr. Jeffry Volk (Chair)
Mr. Tim Mihalick
Dr. Casey Ryan
Chancellor, ex officio
BUDGET AND FINANCE COMMITTEE, SBHE Policy 302.3
Mr. Kevin Black (Chair)
Mr. Curtis Biller
Ms. Danita Bye
Mr. Tim Mihalick
Mr. Jeffry Volk
Mr. Michael Linnell, ex officio
Chancellor, ex officio
RESEARCH and GOVERNANCE/IT COMMITTEE, SBHE Policy 302.7
Dr. Casey Ryan (Co-chair) Research
Ms. Danita Bye (Co-Chair) Governance
Dr. John Warford
Ms. Sadie Hanson
Chancellor, ex officio
Dr. Lisa Montplaisir, ex officio
Vice Chancellor of Academic Affairs or designee, ex officio
HIGHER EDUCATION GRANT REVIEW COMMITTEE (SBHE appoints, with consent of legislative mgmt.-no limitation on length of term)
Mr. Kevin Black
Mr. Jeffry Volk
NDUS FOUNDATION (per NDUS Foundation By-Laws, SBHE Chair appoints president of foundation, which is a member of the SBHE)
Mr. Tim Mihalick (reappointed 3/18/2022)
Ms. Danita Bye (appointed 9/24/2020)
WICHE (2-Yr Term) Legislative Management Appoints – Bye’s term expires June 30, 2025
Ms. Danita Bye
Dr. Mark Hagerott (commissioner)
MHEC (4-Yr Term) Governor Appoints https://apps.nd.gov/gov/boards/Search/Boards
Dr. Mark Hagerott (commissioner)
Mr. Tim Mihalick (Governor Appointee, term expires 6/30/25)
EPSCoR State Steering Committee
Mr. Curtis Biller

SBHE Post-Tenure Ad Hoc Committee Membership: Dr. Casey Ryan, Mr. Tim Mihalick, and Ms. Lisa Montplaisir, ex officio

SBHE Efficiency and Opportunity Ad Hoc Committee Membership: Mr. Kevin Black, Dr. John Warford, and Mr. Curtis Biller (convene at the request of the SBHE Chair)

MN North Star Promise Free college tuition initiative

Presented by

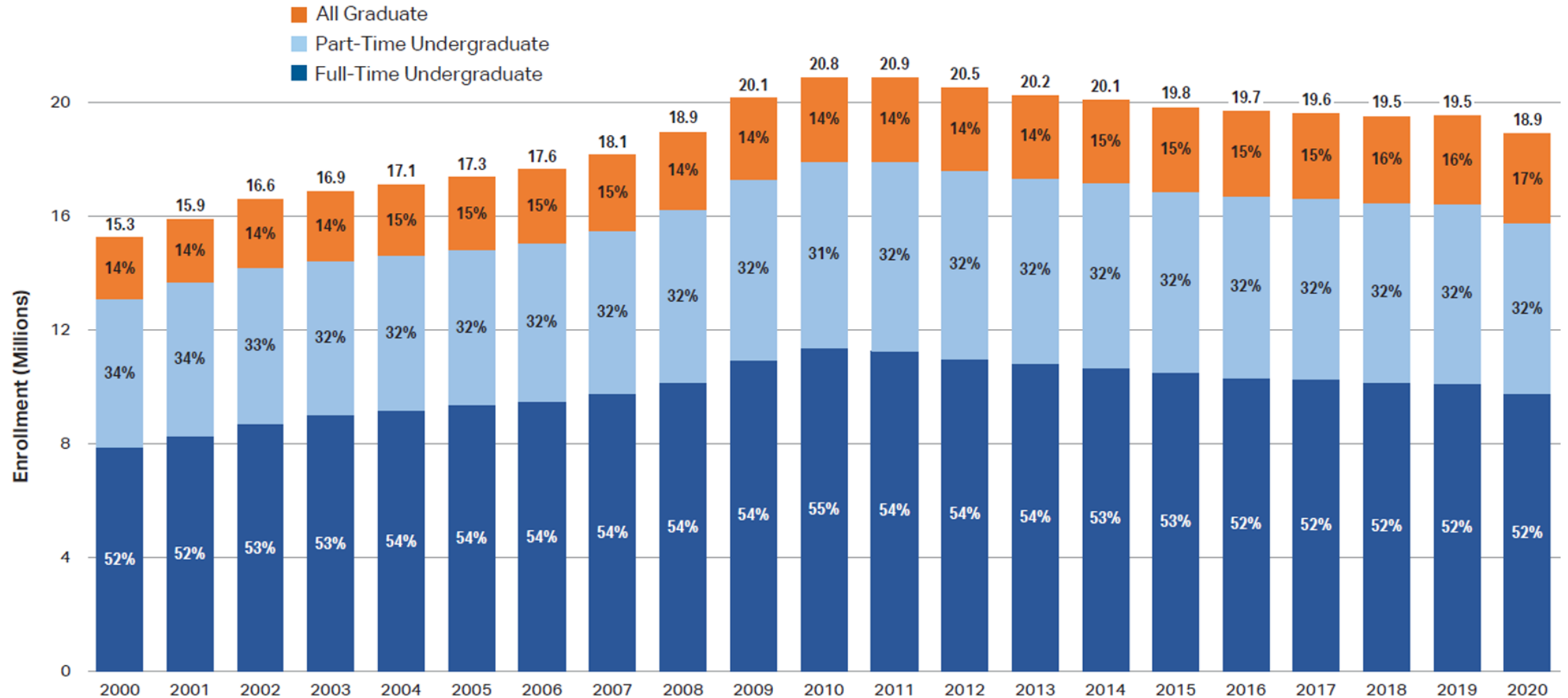
Janelle Kilgore, Vice Provost of Strategic Enrollment Management – UND

Laura Oster-Aaland, Vice Provost for Student Affairs and Enrollment Management – NDSU

On behalf of

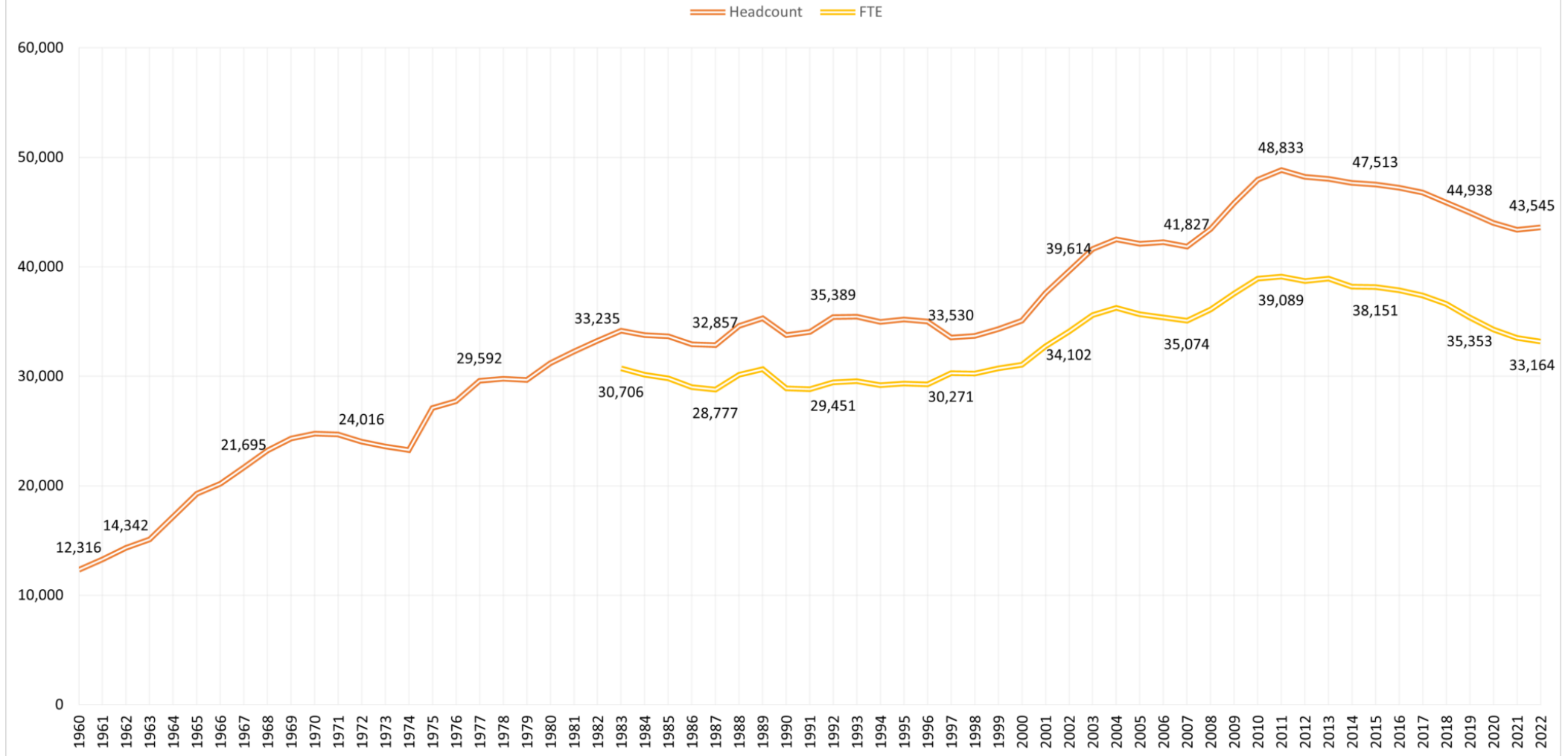
Presidents Armacost, Cook, Flanigan, LaFave and Van Horn

Enrollment Peaked in 2011 (National)



Source: The College Board, Trends in College Pricing and Student Aid 2022, Figures CP-16 ([research/collegeboard.org/trends](https://research.collegeboard.org/trends))

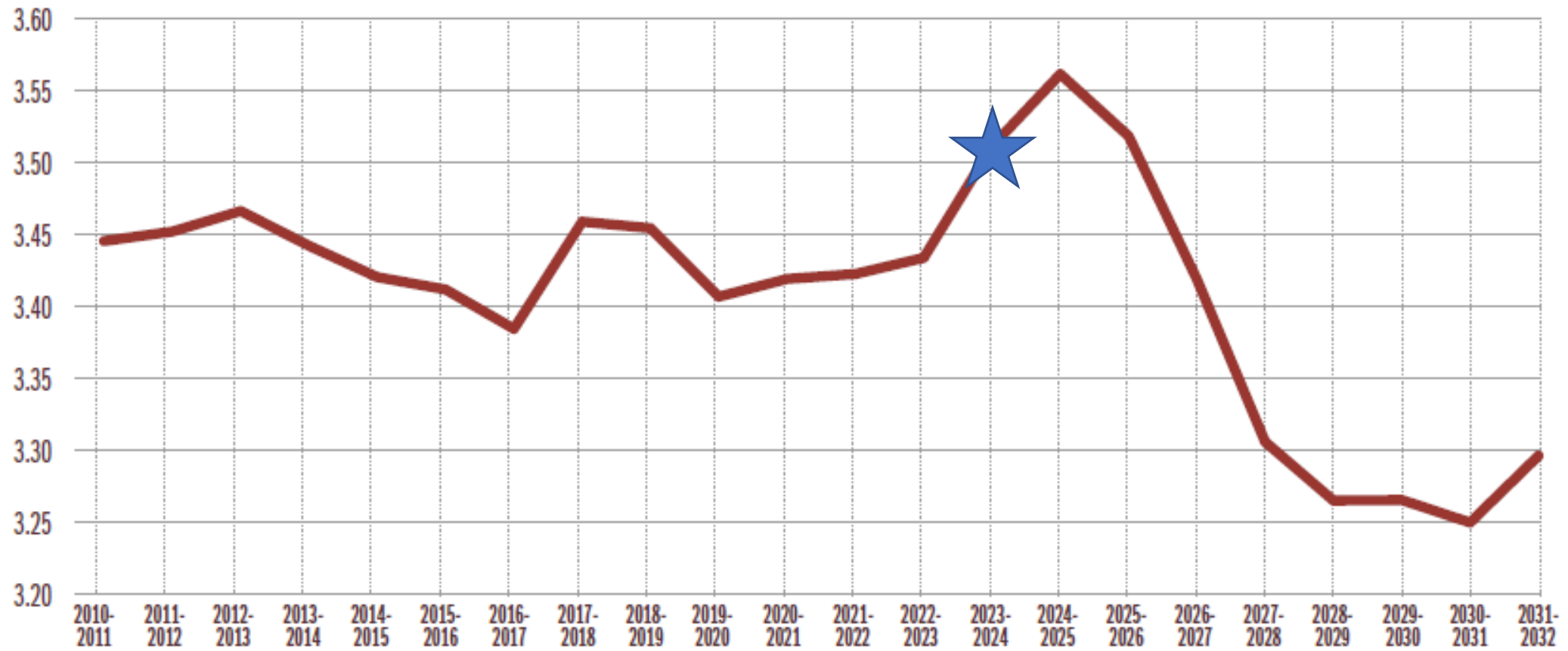
North Dakota University System Headcount - 1960 to present FTE Count - 1983 to present



Source: North Dakota University System Institutional Research – Historical Enrollment Reporting

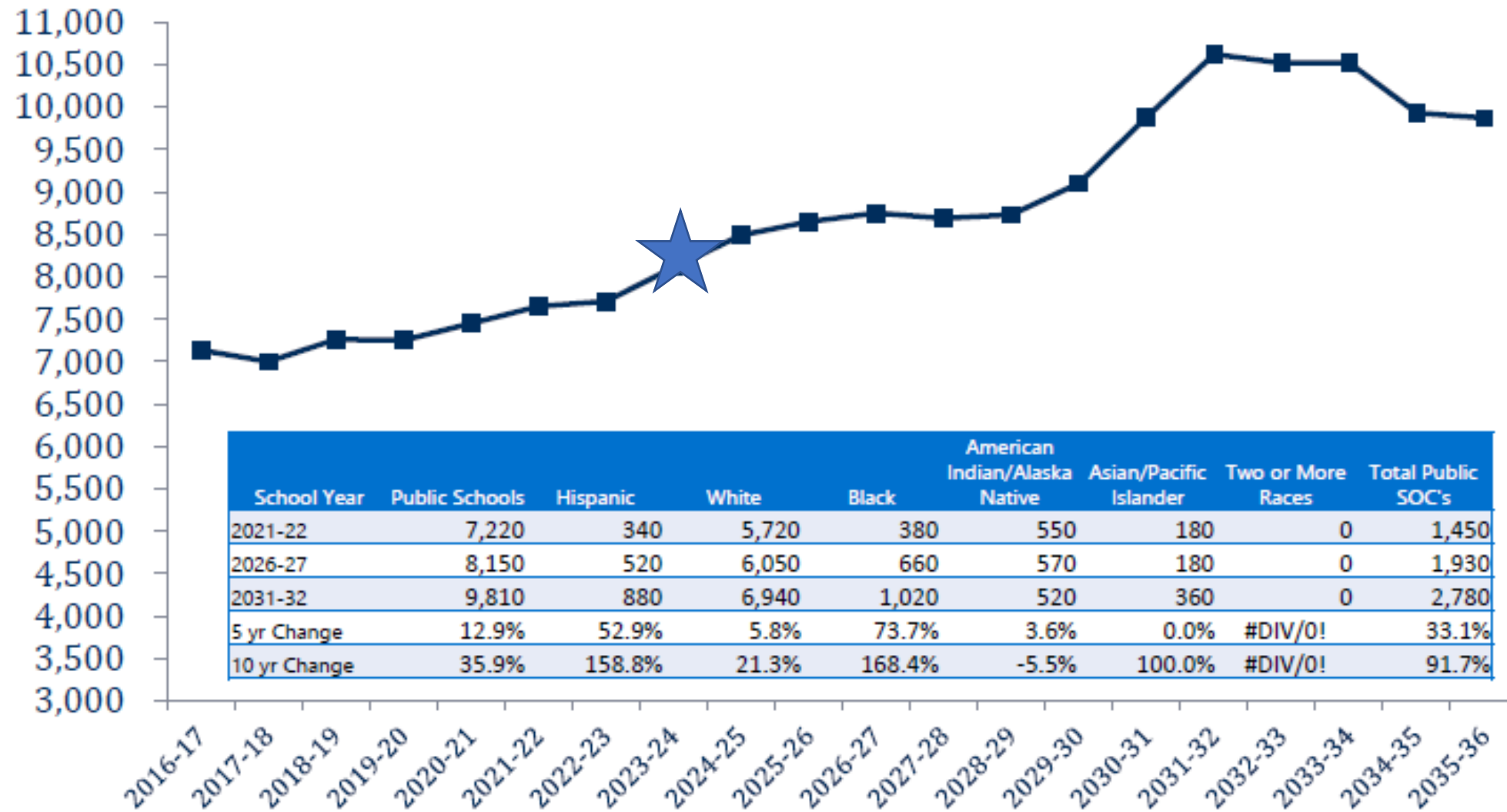
High School Graduates (National)

Projected change
in millions



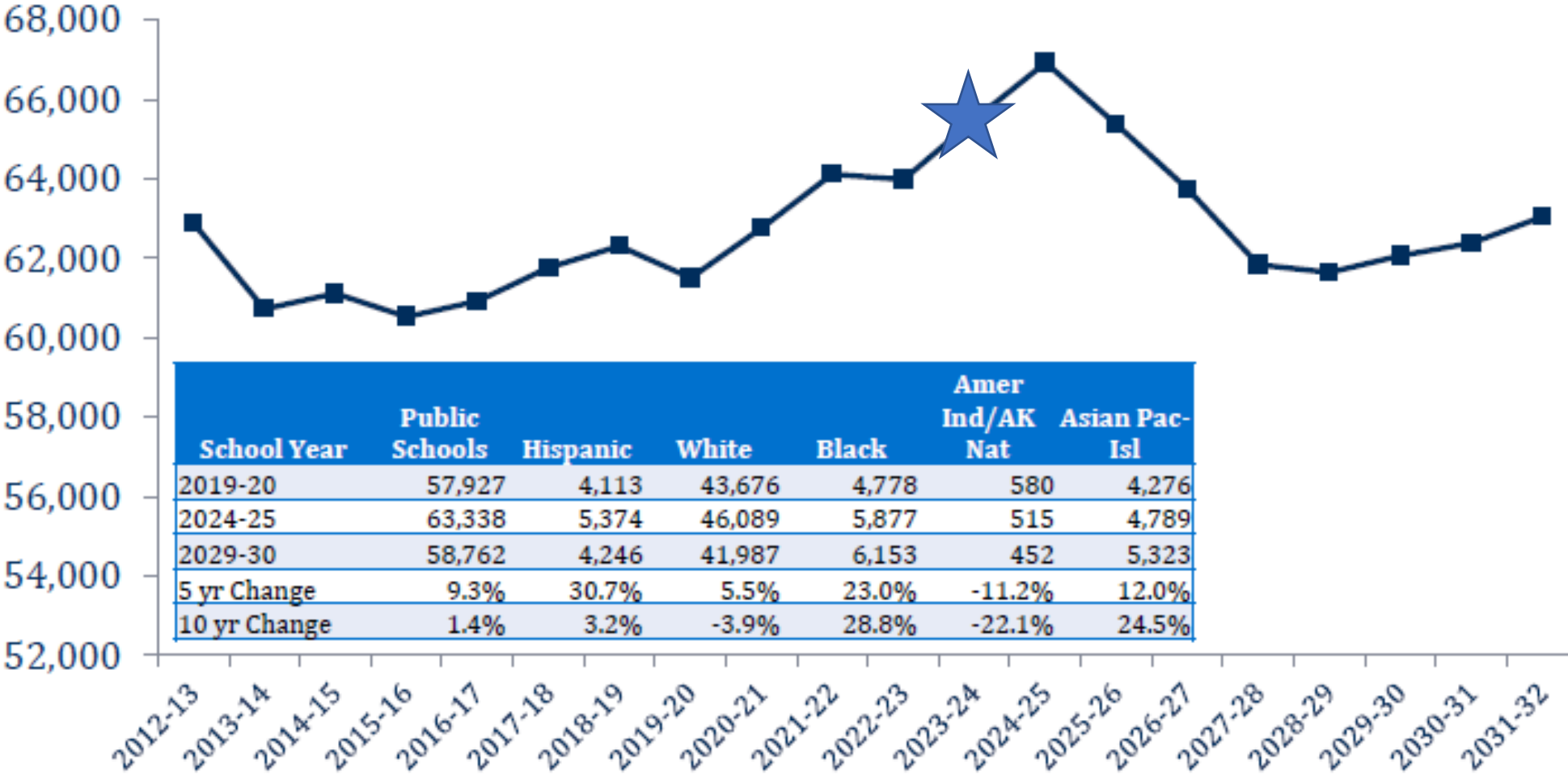
Source: Looming Enrollment Crisis – The Chronical of Higher Education

North Dakota 2017-36



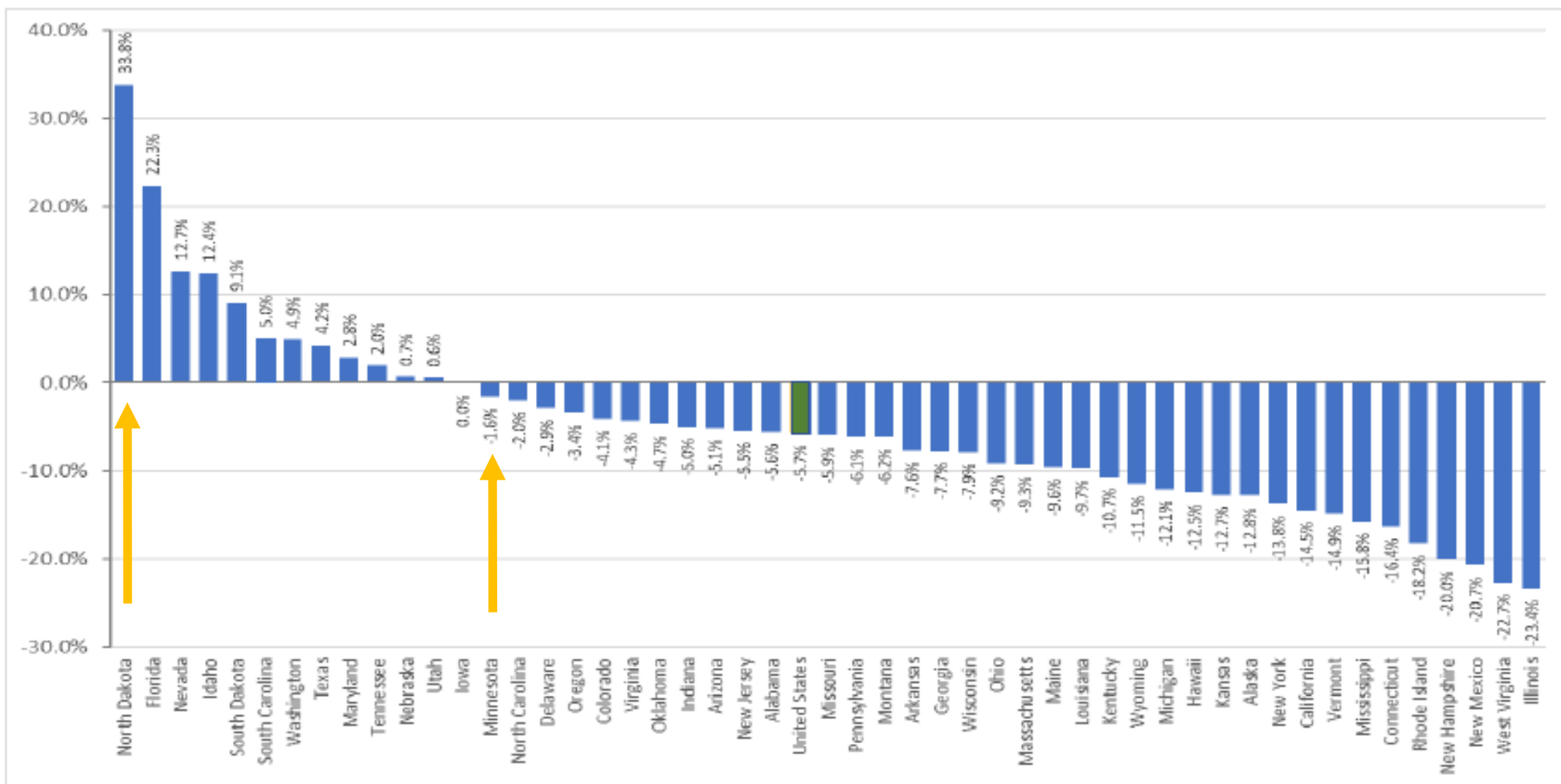
Source: WICHE – High School Data – Knocking Door

Minnesota 2013-32



Source: WICHE – High School Data – Knocking Door

Projected Percent Change in High School Graduates, 2020-37



Source: WICHE – Knocking at the College Door, 10th edition, released December 2020

Minnesota Investing in Keeping Students In State

- **Existing MN State need-based grant**
 - \$2,600 to \$12,000 per student
 - \$202 Million disbursed in 2022 to 69,425 students ([Office of Higher Education](#))
 - 55% of State Grant recipients had a family income of less than \$40,000
- **MN North Star Promise to be implemented Fall 2024**
 - Last in scholarship
 - Covers full cost of tuition and fees after all other grants/scholarships
 - Family income under \$80,000
 - All MN public colleges and Universities
 - \$117 Million allocated for 2024

MN students lose both of these benefits if they leave Minnesota for higher education!

NDSU, UND, NDSCS in top 10 out-of-state destinations for first-year Minnesota Students

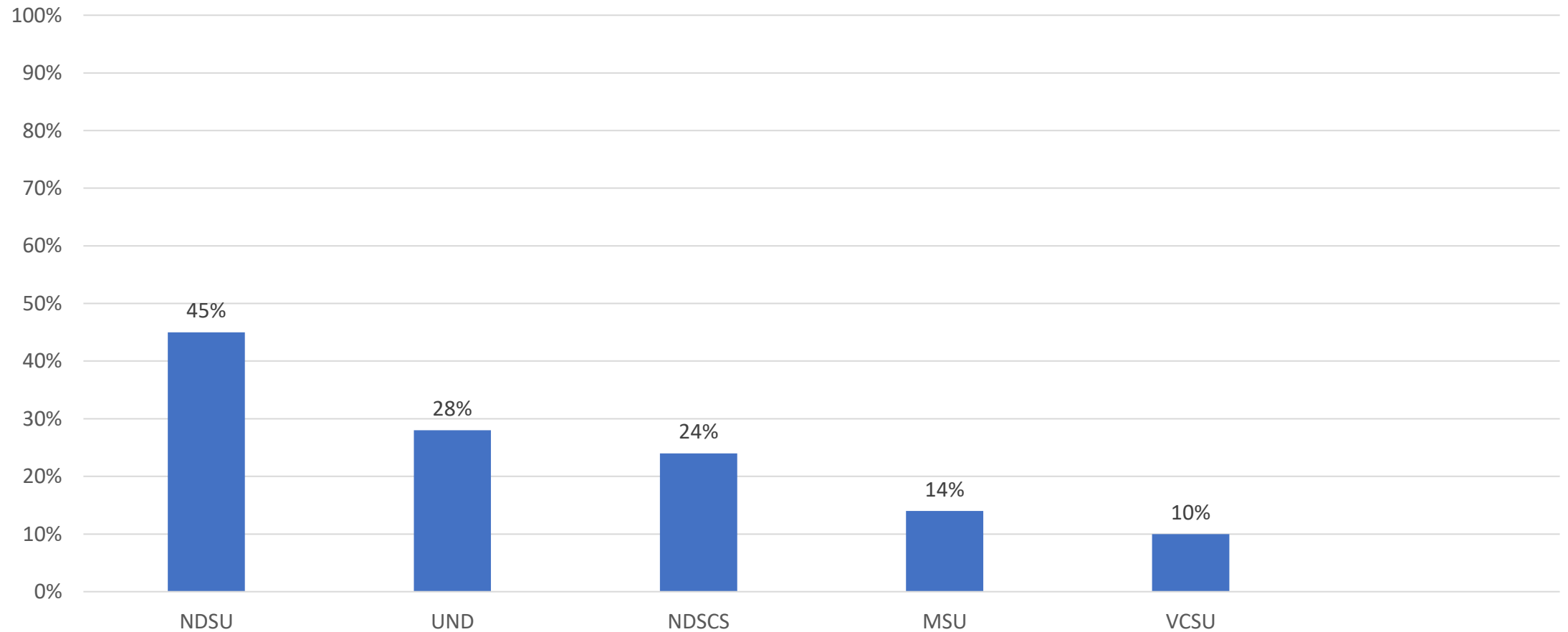
Institution	Rank Fall 2021	# of students Fall 2021	Rank Fall 2020	# of new students Fall 2020
North Dakota State University	1	1,301	1	1,227
University of Wisconsin-Madison	2	805	3	702
University of Wisconsin-Eau Claire	3	736	2	745
University of North Dakota	4	670	8	438
South Dakota State University	NA	NA	4	561
University of Wisconsin-River Falls	5	494	5	556
University of Wisconsin-Stout	6	492	7	443
Iowa State University	NA	NA	9	537
University of Wisconsin-La Crosse	7	322	10	334
North Dakota State College of Science	8	273	10	233
Grand Canyon University	9	267	11	212
Arizona State University Campus Immersion	10	185	16	127
Valley City State University	83.5	18	109	16
Lake Region State College	83.5	18	240	6
Bismarck State College	153	9	217	7
Dickinson State University	358.5	2	494.5	2
Williston State University	505	1	716	1
Mayville State University	NA	NA	60.5	31
Minot State University	NA	NA	191.5	8
Dakota College at Bottineau	NA	NA	716	1

52% of first year class

38% of first year class

39% of first year class

Minnesota Students – Percentage of overall enrollment* by institution – Fall 2022



*Includes all categories of students -- new first year, transfer, graduate, and returning undergraduate and graduate.

Estimated revenue loss - 50% of Pell-eligible Students

Institution	Total # of Pell-eligible students – Fall 2022	# of Students Lost	Scheduled Credit Hours Lost	Annual Tuition Lost starting in FY 24	Annual Fees Lost starting in FY 24	Annual Formula Funding Lost starting in FY 28	Combined Tuition, Fees, & Funding Formula Loss from First Year of MN North Star Program*
NDSU	729	365	10,950	\$3,805,490	\$565,020	\$2,187,920	\$6,558,430
UND	519	260	7,800	\$2,689,877	\$445,723	\$1,529,814	\$4,665,414
NDSCS	87	44	1,320	\$230,789	\$40,972	\$304,832	\$576,593
VCSU	61	31	930	\$229,803	\$58,735	\$246,590	\$535,128
MSU	79	40	1,200	\$346,196	\$67,800	\$177,792	\$523,988
Total	1,475	740	22,200	\$7,234,355	\$1,178,250	\$4,446,948	\$12,859,553

Annual cost to implement for Minnesota students

Institution	Amount needed to cover Tuition and Fees after all other grant aid and scholarships	# of qualifying students as estimated by the Student Aid Index*	% of MN graduates anticipated to take first job in ND	# of MN graduates anticipated to take their first job in ND
NDSU	\$4,050,402	729	42%	306
UND	\$2,219,205	519	43%	41*
NDSCS	\$204,073	87	14%	13
VCSU	\$154,355	61	42%	15
MSU	\$388,511	79	N/A	N/A
Total	\$7,016,546	1475		375

**Note: Based on the 2021-22 UND Graduation Survey. Only students employed full-time and responded with their employers' location are included.*

Annual cost to implement for ALL Pell-eligible students

- Amount needed to cover tuition and fees after all other grant aid and scholarships at NDSU, UND, NDSCS, VCSU, MSU regardless of residency: **\$17,277,139**
- Number of qualifying students as estimated by the Student Aid Index: **4289**
- Number of graduates anticipated to take their first job in ND: **1335**
- Estimates could be scaled to include the other six NDUS campuses

Threats

- Other states are also competing for MN students
 - Wisconsin
 - South Dakota
 - Iowa
 - Arizona
- While the population of ND is growing, the raw number of graduates will not compensate for the loss of Minnesota students who are incentivized to stay in state
- More out-of-state schools are recruiting ND students due to growth

Investing in MN students is a workforce investment!

Enrollment Strategies, Best Practices, and Trends

Cabinet/Workgroup Members: Board Member Warford; Presidents Cook, Jensen, LaFave, and Van Horn, and VC Lisa Johnson

Meeting Dates: October 13, 2022
November 10, 2022
March 20, 2023
May 10, 2023 (via email)

Report to the SBHE – Board Member Warford

1. Summarize campus feedback related to enrollment and best practices from SWOT exercise at the Board Retreat on May 22.
2. Assigned Cabinet work group recommendations:
 - Pursue a marketing/recruitment strategy to attract students with some college and no degree
 - Coordinate a focus group of students with some college and do degree of varying age groups
 - Seek legislative support to attract and re-enroll students during the 2025 legislative session
 - Develop competency-based learning as an option for select programs of study
 - Support for the MHEC Credential Engine initiative—digital certificates, badges, and micro credentials/an educational wallet of verified learning experiences
 - Examine trends in MN and other out-of-state students in NDUS

UNDERGRADUATE ENROLLMENT TRENDS

	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Total Enroll	39,250	38,350	37,420	36,206	35,431	35,832
ND	21,846	21,599	21,151	20,409	20,006	20,102
MN	10,997	10,443	9,830	9,444	8,991	8,941
Other US	5,477	5,402	5,541	5,584	5,595	5,918

GRADUATE ENROLLMENT TRENDS

	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022
Total	6,231	6,168	6,241	6,584	6,828	6,581
ND	1,137	1,198	1,255	1,344	1,396	1,317
MN	2,945	2,899	2,866	2,892	2,972	2,925
Other US	1,451	1,374	1,422	1,594	1,639	1,498

The North Dakota University System is governed by the State Board of Higher Education and includes:

Bismarck State College • Dakota College at Bottineau • Dickinson State University • Lake Region State College • Mayville State University • Minot State University • North Dakota State College of Science • North Dakota State University • University of North Dakota • Valley City State University • Williston State College

3. Additional Recommendations for Consideration:

- Coordinate an NDUS Retention Summit
 - Overview of student and/or state demographics
 - Best practices in recruitment/enrollment – guest speaker
 - Best practices in student retention
- NDUS retention data
- Overview of Starfish or a similar application to retain students
- Enrollment projections by campus with accompanying contingency plan if enrollment goals are not met
- Use of AI chatbot – TargetX admissions
- Late night, after-hours access to a human advisor
- Evening registration events to support full-time workers, veteran's, returning adults, etc.