

## North Dakota State Board of Higher Education Budget and Finance Committee Meeting Minutes

May 15, 2024

The State Board of Higher Education Budget and Finance Committee met via Teams on Wednesday, May 15<sup>th</sup> at 1:00 p.m. CT.

### SBHE Budget and Finance Committee members

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Mr. Kevin Black, Chair | <input checked="" type="checkbox"/> Mr. Jeffry Volk                    |
| <input checked="" type="checkbox"/> Ms. Danita Bye         | <input checked="" type="checkbox"/> Mr. Tim Mihalick                   |
| <input checked="" type="checkbox"/> Mr. Curtis Biller      | <input checked="" type="checkbox"/> Mr. Michael Linnell, Staff Advisor |

### Institution Presidents/Representatives

**BSC** President Jensen, Ms. Sonja Kolbe, **DCB** Dean Simone, **DSU** President Easton, Mr. Leslie Wietstock, **LRSC** Ms. Brandi Nelson, **MaSU** President Van Horn, Ms. Amber Hill, **MiSU** President Shirley, Krista Lambrecht, **NDSCS** Mr. Keith Johnson, **NDSU** Mr. Bruce Bollinger, **UND** Ms. Odella Fuqua, Ms. Karla Stewart, **VCSU** Ms. Erica Buchholz, **WSC** President Hirning.

### System Office/CTS/Guests

**NDUS** Chancellor Hagerott, VC David Krebsbach, Ms. Jamie Wilke, Dr. Jen Weber, VC Darin King, VC Jerry Rostad, Mr. Mark Gorenflo, Ms. Jane Grinde, Mr. Chris Pieske, Mr. Rick Tonder, Ms. Dina Cashman, **AG** Ms. Meredith Larson.

Committee Chair Black called the meeting to order at 1:00 p.m. CT.

1. **Agenda and Consent Agenda** (items 4 – 12)

Bye moved, Biller seconded, to approve the agenda and consent agenda, as presented.

Mihalick, Biller, Bye, Volk, and Black voted yes. Motion passed 5 - 0.

2. **Meeting Minutes** April 10, 2024, Meeting Minutes

Mihalick moved, Biller seconded, to approve the [April 10, 2024](#), meeting minutes, as presented.

Bye, Volk, Mihalick, Biller, and Black voted yes. Motion passed 5 - 0.

3. **Institution Finance Staff Reports and Presentations**

- [DSU](#) by Mr. Les Wietstock, Chief Operating Officer.
- [MaSU](#) by Ms. Amber Hill, VP for Business Affairs.

Consent Agenda (4 – 12)

4. [UND EERC Bond](#)

5. UND Health [Facility/Sports Med Renovation](#)
6. [UND Starcher Hall Renovation](#)
7. [UND STEM Construction Phase 1](#)
8. UND [Renaming of Chester Fritz Auditorium](#)
9. BSC [Bismarck Community Bowl Naming Rights Agreement](#).
10. WSC Dining Services [rate request](#)
11. [Policy 830.1](#) Student Payment
12. [Policy 703.2](#) Benefits

### **Committee Reports/Updates/Discussion Cont.**

#### 13. Legislative Priorities:

##### a. [Institution Capital Project Requests 2025-27](#).

Mr. Rick Tonder presented an overview of the capital projects process. He provided a detailed explanation of the funding source and legislative intent for capital projects. The projects were ranked based on deferred maintenance and each project has dollars/funding listed for them.

The committee discussed the capital project requests and legislative priorities from the budget and finance perspective. Committee Chair Black has called for a special BFC meeting to review the capital projects in detail. He noted that the meeting will select the criteria by which the projects will be ranked in order and forwarded as recommendations to the full Board.

##### b. Funding Formula Ad Hoc Committee recommendations.

- i. Rate averaging.
- ii. Change to NDCC 15-18.2-03 to remove negative impact to credit production growth at institutions.
- iii. Discipline cluster adjustments.
- iv. Pension plan liability.
- v. Inflationary increases.

##### c. Scholarships for high demand disciplines.

##### d. Innovation Grants.

##### e. Incentive packages to align private sector partners who invest in programs or commit to hiring graduates.

##### f. Deferred Maintenance legislative study

The committee underscored the importance of addressing deferred maintenance issues and aligning capital investments with the legislators and Governor's priorities.

The committee members noted the following items need to remain as Board priorities as the system prepares for legislative session:

- Workforce needs in North Dakota/Educated workforce/additional grants.
- Some college - no degree/credential initiative.
- Funds for marketing target areas.
- Clear enrollment targets.
- Rightsizing for efficiency and effectiveness.
- Dual credit and non-dual credit.
- Implementation and optimization of financial KPIs.

- Special capital projects/new construction projects.

Committee members agreed that there will need to be strategies in place to drive optimization but continue to grow the workforce that will require resources.

14. Chancellor and President goals

- a. Enrollment Growth Targets with Non-dual credit caveat
- b. Implementation and optimization of financial KPIs (unit cost modeling)

Committee Chair Black closed with the Chancellor and Presidential goals will be discussed by the Board in June. He recommended they include clear, measurable enrollment targets, including non-dual credit growth and implementation and optimization of financial KPIs.

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

Approved June 12, 2024.