

North Dakota State Board of Higher Education

June 25, 2024, Meeting Minutes

The State Board of Higher Education met on Tuesday, June 25, 2024, at 8:30 a.m. CT., at Dakota College at Bottineau, Thatcher Hall, 105 Simrall Blvd, Bottineau, ND 58318.

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

Roll Call

SBHE Members

- | | |
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| <input checked="" type="checkbox"/> Mr. Tim Mihalick, Chair | <input checked="" type="checkbox"/> Dr. John Warford, Vice Chair |
| <input checked="" type="checkbox"/> Ms. Danita Bye | <input checked="" type="checkbox"/> Dr. Casey Ryan |
| <input checked="" type="checkbox"/> Mr. Jeffrey Volk | <input checked="" type="checkbox"/> Mr. Kevin Black |
| <input checked="" type="checkbox"/> Ms. Sadie Hanson | <input checked="" type="checkbox"/> Mr. Curtis Biller |
| <input checked="" type="checkbox"/> Mr. Michael Linnell, Staff Advisor | <input checked="" type="checkbox"/> Dr. Lisa Montplaisir, Faculty Advisor |

Incoming Board members: Mr. DJ Campbell (intermittently via video) and Mr. Maxwell Eriksrud (present at DCB).

Institutions

BSC President Jensen, **DCB** Dean Simone, **DSU** President Easton, **LRSC** Mr. Lloyd Halvorson, Ms. Joanne Kitchens, **MaSU** President Van Horn, **MiSU** President Shirley, **NDSCS** President Flanigan, **NDSU** Dr. David Bertolini, **UND** President Armacost, **VCSU** President LaFave, **WSC** President Hirning.

System Office/Guests

NDUS Chancellor Hagerott, VC Lisa Johnson, VC David Krebsbach, VC Jerry Rostad, Ms. Jane Grinde, Mr. Mark Gorenflo, Mr. Chris Pieske, **CTS** – VC Darin King (intermittent), Mr. Corey Quirk, Ms. Dina Cashman, **Assistant Attorney General** – Ms. Meredith Larson. **Upper Great Plains Transportation Institute** Mr. Denver Tolliver, **North Dakota State Forest Service** Mr. Thomas Claeys, Ms. Loretta Forsburg, **NDSU Ag Research and Extension Service** Dr. Greg Lardy, **North Dakota Dental Association** Dr. William R. Sherwin, **Representative** Mr. Mike Motschenbacher, District 47.

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

Member Biller requested a full Board review of BSC's new dental program requests that the SBHE Academic and Student Affairs Committee (ASAC) recently reviewed and took action on. ASAC Chair Warford supported Biller's request.

1. **Agenda**

Biller moved, Warford seconded, to add BSC's new dental program requests to the agenda:

New Academic Program Requests

Bismarck State College

- i. A.A.S. in Dental Assisting
- ii. A.A.S. in Dental Hygiene

Volk, Bye, Hanson, Black, Ryan, Biller, Warford, and Mihalick voted yes. Motion passed 8 – 0.

Warford moved, Black seconded, to approve the amended agenda.

Hanson, Black, Volk, Bye, Ryan, Biller, Warford, and Mihalick voted yes. Motion passed 8 – 0.

Board Consent

2. May 29 Retreat and May 30, 2024 Meeting Minutes

SBHE Academic and Student Affairs Committee

- ~~3. Institutional Organization Notice~~ Removed from consent and placed under Board action following item 19.

University of North Dakota

- ~~a. Process Engineering Research Center~~
- ~~b. Artificial Intelligence Research Center~~
- ~~c. Center for Cyber Security Research~~
- ~~d. Materials and Manufacturing Research Center~~
- ~~e. North Dakota Center for Water Research~~

SBHE Budget and Finance Committee

4. BSC Housing and Auxiliary Facilities Bond
5. UND University Place Renovation
6. UND Housing Office Renovation
7. Approve ND/MN Reciprocity MOU
8. NDUS Retirement Plans
9. NDSU 2023-25 Tier II/III Request

SBHE Audit Committee

10. FY 25 NDUS Internal Audit Plan
11. FY 25 Compliance Plan and Priorities
12. Annual Compliance Office Organizational Independence
13. Annual Internal Audit Organizational Independence

SBHE Research and Governance Committee

14. Williston State College Mission Statement
15. SBHE Self-assessment Priorities and Timeline

Member Volk requested UND's organizational Institution request be removed from the consent agenda and placed under Board action.

Ryan moved, Warford seconded, to approve the amended consent agenda, items 2

and 4 through 15.

Volk, Bye, Hanson, Black, Ryan, Biller, Warford, and Mihalick voted yes. Motion passed 8 – 0.

16. 1st Reading, Policy 1202.2, Incident Response

And,

17. 1st Reading, Policy 1202.3, Data Privacy

Mr. Chris Pieske reviewed proposed amendments to Policy 1202.2, [Incident Response](#) and Policy 1202.3 [Data Privacy](#), items 16 and 17.

Ryan moved, Warford seconded, to approve 1st Reading of Policies 1202.2, Incident Response and Policy 1202.3 Data Privacy, as presented.

Black, Ryan, Biller, Volk, Bye, Hanson, Warford, and Mihalick voted yes. Motion passed 8 – 0.

18. 2nd Reading, Policy 1202.1 Acceptable Use of Information Technology Resources

Mr. Chris Pieske provided an overview of Policy 1202.1, [Acceptable Use of Information Technology Resources](#), there were no additional changes following approval of first reading.

Ryan moved, Black seconded, to approve 2nd Reading of Policy 1202.1, Acceptable Use of Information Technology Resources, as presented.

Biller, Volk, Bye, Black, Ryan, Hanson, Warford, and Mihalick voted yes. Motion passed 8 – 0.

19. 2nd Reading, Policy 603.1 Harassment and Discrimination

Mr. Chris Pieske provided an overview of Policy 603.1, [Harassment and Discrimination](#), including deletion of Policy 520 that has been incorporated into 603.1.

Ryan moved, Warford seconded, to approve 2nd Reading of Policy 603.1, including the deletion on Policy 520, as presented.

Volk, Bye, Hanson, Black, Ryan, Biller, Warford, and Mihalick voted yes. Motion passed 8 – 0.

Consent agenda item 3

[University of North Dakota](#) – Institutional Organization Notice

- a. Process Engineering Research Center
- b. Artificial Intelligence Research Center
- c. Center for Cyber Security Research
- d. Materials and Manufacturing Research Center
- e. North Dakota Center for Water Research

Member Volk recommended tabling UND's Institutional organization request since there was opposition to this request that hasn't been briefed to the SBHE. Board Policy states

that any dissenting votes from the institutions and/or by SBHE Committee members will be documented and included in the Board materials. The current attached Board summary does not include that information. Vice Chancellor Johnson offered to review the AAC and SBHE Academic and Student Affairs Committee (ASAC) June minutes to confirm the attached documentation on today's agenda is accurate. VC Johnson will provide an update upon the Board's return from their Executive Sessions.

Volk moved, Bye seconded, to table UND's Institution Organization request.

Ryan, Volk, Bye, Hanson, Black, Biller, Warford, and Mihalick voted yes. Motion passed 8 – 0.

20. Executive Session – Chancellor Contract 8:45 a.m. CT.

Warford moved, Biller 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, Biller seconded, to amend the motion to allow incoming Board members to attend executive session for informational purposes; their terms begin July 1, 2024.

Roll call on Member Volk's motion to amend, seconded by Biller:

Volk, Biller, Black voted yes. Bye, Hanson, Ryan, Warford, and Mihalick voted no. Motion failed 3 – 5.

Original motion made by Warford and seconded by Biller, to move into executive session, as presented:

Volk, Bye, Hanson, Black, Ryan, Biller, Warford, and Mihalick voted yes. Motion passed 8 – 0.

Began at 8:55 a.m. CT.

Present:

SBHE Members

Mr. Tim Mihalick, Chair

Dr. John Warford, Vice Chair

Ms. Danita Bye

Dr. Casey Ryan

Mr. Jeffry Volk

Mr. Kevin Black

Ms. Sadie Hanson

Mr. Curtis Biller

Mr. Michael Linnell, Staff Advisor

Dr. Lisa Montplaisir, Faculty Advisor

Others:

Chancellor Hagerott, Mr. Chris Pieske, Ms. Meredith Larson, and Ms. Kristie Hetzler.

Executive session adjourned at 10:05 a.m. CT.

21. **Reconvene in Open Meeting** 10:10 a.m. CT.

Contract terms for Chancellor Hagerott.

Member Black moved to extend Dr. Hagerott's current contract an additional six months, his role of Chancellor to expire on December 31, 2025, and his salary will include the four percent legislative increase. After the expiration of his contract as Chancellor, effective January 1, 2026, the Chancellor would be appointed as a Distinguished Professor of artificial intelligence and human security with the Dakota Digital Academy, with a salary to be determined by December 1, 2025.

Black, Ryan, Biller, Warford, Volk, Bye, Hanson, and Mihalick voted yes. Motion passed 8 – 0.

Chair Mihalick thanked the Chancellor for his years of service and looks forward to another 18 months of service.

Chancellor Hagerott thanked the Board for its support of his transition back into teaching, especially in an area of immense importance to NDUS, North Dakota, and the Nation.

22. **Executive Session – Presidential Contracts** 10:12 a.m. CT

Bye moved, Biller 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).

Black, Ryan, Biller, Warford, Volk, Bye, Hanson, and Mihalick voted yes. Motion passed 8 – 0.

Began at 10:17 a.m. CT.

Present:

SBHE Members

Mr. Tim Mihalick, Chair

Ms. Danita Bye

Mr. Jeffry Volk

Ms. Sadie Hanson

Mr. Michael Linnell, Staff Advisor

Dr. John Warford, Vice Chair

Dr. Casey Ryan

Mr. Kevin Black

Mr. Curtis Biller

Dr. Lisa Montplaisir, Faculty Advisor

Others:

Chancellor Hagerott, Mr. Chris Pieske, Ms. Meredith Larson, and Ms. Kristie Hetzler. Ms. Jane Grinde entered at 11:14 a.m. CT.

Executive session adjourned at 11:47 a.m. CT.

23. Reconvene in Open Meeting 12:00 p.m. CT.

Ryan moved, Black seconded, to approve the Chancellor's recommendations on NDUS President's contracts and salary .

Biller, Volk, Bye, Black, Ryan, Hanson, Warford, and Mihalick voted yes. Motion passed 8 – 0.

Lunch 12:00 - 12:30 p.m. CT.

24. 2025-2027 Biennial Budget Request – Operations

VC Krebsbach reviewed the 2025-2027 Biennial Operational Budget request that was recommended for approval by the BFC Committee. He noted the original budget that presented to SBHE BFC Committee was thoroughly reviewed by the committee, they held a couple special meetings to work through all of the budget components, and their amendments have been incorporated in today's budget proposal. The BFC members noted one amendment that was not included, the technical workforce development optional request (slide eight-high demand workforce development). VC Krebsbach stated that was an oversight and would be adjusted in a final approved version and sent to the members following today's meeting.

The recommended budget included in today's materials is a needs-based budget supported by the BFC Committee and is recommended for SBHE approval. The other budget has the Governor's guidelines incorporated; the only difference between the two budgets is the Governor's budget reduction recommendation at the bottom.

Below is a list of most, but not all of the components in the budget proposal:

- Increase over the base budget for inflation factor.
- ND Information Technology security solutions increase to current services.
- The Core Technology Services needs-based budget.
- Financial aid grants and various scholarships and grants.
- Financial aid enhancement software package for institutions to ensure federal compliance.
- High demand workforce development.
- High performance computing at UND and NDSU.
- Dakota Digital Academy .
- Increases for artificial intelligence machine learning.
- Technical infrastructure.
- The target salary increase 4%.

Ryan moved, Black seconded, to approve the [2025-2027 Biennial Operational Budget Request](#), with correction noted in the workforce component, slide eight.

Biller, Volk, Bye, Black, Ryan, Hanson, Warford, and Mihalick voted yes. Motion passed 8 – 0.

25. 2025-27 Biennial Budget Request – Capital Projects

VC Krebsbach reviewed the [2025-2027 Biennial Capital Project](#) requests. BFC Committee Chair Black, stated that BFC committee met three times in June, they were extremely thorough and diligent in reviewing the budgets. The BFC focused on capital projects with prioritization on most critical to health and safety, deferred maintenance and projects that were endorsed during the last legislature session, included expanding on the Minot State University project. He noted that the Board could consider additional projects at a later date and asked that they start thinking through that process as the next legislative session gets closer.

Black moved, Ryan seconded, to approve the 2025-2027 Biennial Capital Projects Budget request, as presented.

Ryan, Biller, Volk, Bye, Black, Hanson, Warford, and Mihalick voted yes. Motion passed 8 – 0.

26. 2025-27 North Dakota State Forest Service Budget Request

Mr. Thomas Claeys reviewed the [2025-2027 North Dakota State Forest Service Budget](#) request.

Ryan moved, Warford seconded, to approve the 2025-2027 North Dakota State Forest Service Budget request, as presented.

Biller, Volk, Bye, Black, Ryan, Hanson, Warford, and Mihalick voted yes. Motion passed 8 – 0.

27. 2025-27 NDSU Ag Research and Extension Service Budget Request

Dr. Greg Lardy reviewed the 2025-2027 [NDSU Ag Research and Extension Service](#) Budget.

Warford moved, Ryan seconded, to approve the 2025-2027 NDSU Ag Research and Extension Service Budget, as presented.

Biller, Volk, Bye, Black, Ryan, Hanson, Warford, and Mihalick voted yes. Motion passed 8 – 0.

28. 2025-27 Upper Great Plains Transportation Institute Budget Proposal

Mr. Denver Tolliver reviewed [2025-2027 Upper Great Plains Transportation Institute Budget](#) Proposal

Ryan moved, Bye seconded, to approve the 2025-2027 Biennial Budget request, as presented.

Biller, Volk, Bye, Black, Ryan, Hanson, Warford, and Mihalick voted yes. Motion passed 8 – 0.

29. **Priorities from Envision 2035 Retreat**

VC Rostad and Chancellor Hagerott provided an overview of the [priorities from the Envision 2035](#) discussed at the May Board Retreat. The Board discussed and noted the categories and priorities will continue to be a work in progress, including any dollars/funds that are associated and will need further discussion moving forward.

Ryan moved, Warford seconded, to approve the identified priorities from the Envision 2035 retreat, as presented.

Biller, Volk, Bye, Black, Ryan, Hanson, Warford, and Mihalick voted yes. Motion passed 8 – 0.

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

Chair Mihalick informed the Board that in previous years the Board has authorized SBHE Committees full authority to approve committee items on behalf of the entire SBHE in consultation of the Board Chair. Any items opposed by a committee member will require full Board discussion and/or approval. Member Volk raised concerns that this practice doesn't align with best governance practices.

Ryan moved, Warford seconded, to approve granting SBHE Committees full authority to act on behalf of the SBHE in July and August of 2024, except where a committee member dissents.

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

SBHE Committee Reports/Updates/Discussion

31. [July 1, 2024 – June 30, 2025, SBHE Committee Assignments](#) provided by Chair Mihalick.

32. SBHE Academic and Student Affairs Committee provided by Dr. John Warford.

Committee Chair Warford and VC Johnson.

Item removed from consent agenda:

- [University of North Dakota](#) – Institutional Organizational
- Process Engineering Research Center
- Artificial Intelligence Research Center
- Center for Cyber Security Research
- Materials and Manufacturing Research Center
- North Dakota Center for Water Research

Black moved, Hanson seconded, to remove UND's Institutional Organizational request from the table.

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

Member Volk expressed concern that the Board didn't have all the relevant information to make decision; his understanding is that one institution was opposed to recommending approval to the Board.

VC Johnson stated that if there were any concerns, they were not publicly shared at the Academic Affairs Council (AAC), Cabinet, or Academic and Student Affairs Committee (ASAC) meetings in June. She explained that UND's request was provided to AAC as informational, the councils are advisory bodies; the Cabinet offers input to the Board and the system reports any opposition to the SBHE Committees. There was no opposition to be noted from the Cabinet members, and ASAC unanimously recommended approval.

Member Volk stated that he understood that NDSU opposed the UND proposal since it seems to be duplication of NDSU's and could potentially lead to competition when there is limited research dollars.

President Armacost clarified that UND's request is not intended to compete with or take away from the Water Resources Research Institute at NDSU. He had discussed this proposal before its submission with President Cook, who expressed no objection. He explained that there are members from both institutions that serve on one another's centers and the intent is to cross-university collaboration. Water is a broad topic with many areas of study, and this new center will not interfere with the federally funded research efforts at NDSU.

President Armacost stated that UND would accept holding off on Board action, if that is their recommendation; however, he confirmed that there was no opposition at Cabinet. He also offered to provide more information to ensure all parties are comfortable and will follow-up with President Cook re-confirm that the new water research center is named appropriately to avoid any perception of competition with NDSU.

Black moved, Hanson seconded, to approve the following UND Institutional organization request from UND:

[University of North Dakota](#)

- Process Engineering Research Center
- Artificial Intelligence Research Center
- Center for Cyber Security Research
- Materials and Manufacturing Research Center
- North Dakota Center for Water Research

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

Added agenda item:

[Bismarck State College](#) – New Academic Program Requests:

- [A.A.S. in Dental Assisting](#)
- [A.A.S. in Dental Hygiene](#)

The discussion revolved around the need for dental hygienists and assistants in North Dakota to address a critical workforce shortage.

The Board considered concerns that were raised by Board members and several institution Presidents. The appropriate timing for adding new dental programs would be after standing up the newly approved programs by DCB at the Minot location and reviewing prospective student demand and program capacities at DCB and NDSCS. The number of qualified prospective students has been decreasing over the past several years. The number of students decreases due to attrition throughout the course of the program. The dental programs are very rigorous and robust, but these types of programs have to meet specific requirements to be accredited.

There was strong support for adding the BSC program by dental providers in the Bismarck area, noting the critical workforce shortage of dental hygienists and assistants. President Jensen explained that the BSC dental programs business model is based on a private/public partnership and that he has assurance from the local dental providers that they will assist in recruiting students, provide necessary resources, including facilities, and sponsor tuition for students in the BSC dental programs.

Representative Mike Motschenbacher from District 47 in Bismarck, who serves as a member of the interim Legislative Workforce Committee, encouraged the Board to approve the proposal for BSC dental programs. He stated it's the private sector solution to workforce issues with almost zero attached dollars; it's a public/private partnership that the Board often encourages.

The Board acknowledged fiduciary responsibility to existing programs and the need to ensure their success; dental programs are expensive to establish and maintain.

Prior to 2017, there were 26 NDSCS seats for hygiene students, but then reduced to 20 to increase the assisting program. Currently, there are many dentists that are now training their own assistants, so the need for assistants has decreased, which will require current programs to adjust, which is costly. They also discussed expanding existing programs rather than approving a new one.

Many Board members were in favor of BSC's request with the assurance from the private sector as partners, while other members wanted more time to review and get a better understanding of the request, including details regarding the partnership with the private sector and total costs associated with the new program.

Chair Mihalick called for a special Board meeting the week of July 8th to focus solely on BSC's new dental program request.

33. SBHE Research and Governance Committee provided by Dr. Casey Ryan/Ms. Danita Bye.
34. SBHE Budget and Finance Committee provided by Mr. Kevin Black during the budget discussions, items 24 and 25.
35. SBHE Audit Committee provided by Mr. Jeffry Volk.
36. Ad Hoc Retirement Oversight Committee provided by Mr. Jeffry Volk.
37. MHEC Report provided by Chair Mihalick.

Chancellor Report

38. Envision 2035/Legislative Engagement Strategy
Chancellor Hagerott and VC Rostad provided an update on steps going forward.

Other Reports:

39. NDSA provided by Ms. Sadie Hanson.
40. CCF provided by Dr. Lisa Montplaisir.
41. Staff Senate provided by Mr. Michael Linnell.
42. Public Comment – no public comment.
43. Recognition Plaques were presented to Dr. John Warford for his four years of service as a Board member and Ms. Sadie Hanson for her two years of service, by Chair Mihalick, who praised their service to the SBHE
44. Welcome [New SBHE Members](#)
 - a. Donald "D.J." Campbell
 - b. Maxwell Eriksrud, Student Member
45. Assessment of Meeting and Future Agenda Items
46. Motion to Adjourn:
Black moved, Biller seconded, to adjourn at 2:24 p.m. CT.
Approved by consensus.

Approved July 31, 2024.