

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

The State Board of Higher Education Budget and Finance Committee met via Teams on Wednesday, November 13th at 1:00 p.m. CT., via Teams.

SBHE Budget and Finance Committee members

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

Institution Presidents/Representatives

BSC Ms. Sonja Kolbe, **DCB** Dean Simone, **DSU** Mr. Leslie Wietstock, **LRSC** President Darling, Ms. Joanne Kitchens, **MaSU** President Van Horn, Ms. Amber Hill, **MiSU** President Shirley, Ms. Krista Lambrecht, **NDSU** President Flanigan, Mr. Keith Johnson, **NDSU** Mr. Bruce Bollinger, **UND** Ms. Odella Fuqua, Mr. Thomas Bures, Mr. Terry Nelson, Mr. Mathew Kibbon, **VCSU** Erica Buchholz, **WSC** President Hirning.

System Office/CTS/Guests

NDUS Chancellor Hagerott, VC David Krebsbach, Ms. Jamie Wilke, Mr. Corey Quirk, VC Jerry Rostad, Mr. Chris Pieske, Mr. Rick Tonder, Ms. Dina Cashman, Mr. Rick Tonder, Mr. Mark Gorenflo **AG** Ms. Meredith Larson. Mr. John Godsoe, **HUB** Ms. Angie Mirrione, Mr. Kirk Welch.

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

1. Agenda
Approved by consensus.
2. Meeting Minutes
Volk moved, Bye seconded, to approve the October 9, 2024, meeting minutes, as presented.

Volk, Bye, Mihalick, Biller, and Black voted yes. Motion passes 5 – 0.
3. NDSU DREC Research Center Naming Request
Volk moved, Biller seconded, to recommend approval for NDSU to name the new agricultural laboratory and shop facilities at the Dickinson Research Extension Center the [Wardner Agricultural Laboratory](#) in honor of Senator Rich Wardner, as presented.

Mihalick, Volk, Bye, Biller, and Black voted yes. Motion passes 5 – 0.

4. UND Name Bronson Center

Biller moved, Mihalick seconded, to recommend approval of UND's request to name the Central Financial Services building the [Bronson Center](#) in honor of Harrison Bronson and his contributions to the University of North Dakota, as presented.

Volk, Bye, Mihalick, Biller, and Black voted yes. Motion passes 5 – 0.

5. UND SMHS Fargo Sublet Build-Out

Bye moved, Mihalick seconded, to recommended approval for [UND SMHS](#) to proceed with build-out portion of Fargo sublet lease at a cost not to exceed \$4,250,000, as presented.

Biller, Volk, Bye, Mihalick, and Black voted yes. Motion passes 5 – 0.

6. MiSU 2023-25 Capital Building Fund Tier II-III Request

Volk moved, Bye seconded, to recommend approval to ratify Chancellor's approval of the transfer of \$859,202 in Tier II funds and \$500,000 in Tier III funds from the System Office's [capital building fund appropriation line to the MiSU's capital building](#) fund appropriation line, as presented.

Bye, Volk, Mihalick, Biller, and Black voted yes. Motion passes 5 – 0.

7. Executive Session (1:15 p.m. CT.)

Volk moved, Bye seconded, to enter Executive Session for attorney consultation pertaining to the North Dakota University System Retirement Plans and attorney advice from Bond, Schoeneck & King. The executive session shall be limited to members of the Committee, the Chancellor and designated system office staff, Representatives from Bond, Schoeneck & King, Representatives of HUB International, and Board counsel. The legal authority for closing this portion of the meeting is North Dakota Century Code sections 44-04-19.1 and 44-04-19.2.

Present:

SBHE Budget and Finance Committee members

Mr. Kevin Black, Chair

Mr. Jeffry Volk

Mr. Tim Mihalick

Mr. Michael Linnell, Staff Advisor

Mr. Curtis Biller

Ms. Danita Bye

System Office/Guests

NDUS Chancellor Hagerott, VC David Krebsbach, Ms. Jane Grinde, AG Ms. Meredith Larson. Bond, Schoeneck & King Attorney, Mr. John Godsoe, and HUB representatives, Ms. Angie Mirrione and Mr. Kirk Welch.

Executive session adjourned and open meeting reconvened at 1:50 p.m. CT.

Volk moved, Bye seconded, to recommend accepting Bond, Schoeneck & King/Attorney Godsoe's legal review and recommendation pertaining to the NDUS retirement plan and present the recommendation to the full SBHE for approval at the December 5th meeting.

Biller, Volk, Bye, Mihalick, and Black voted yes. Motion passes 5 – 0.

8. NDUS Retirement Plan Oversight Committee (ROC) Recommendations
The BFC Committee reviewed [recommendations from the ROC Committee](#); they discussed the Investment Policy Statement (IPS), SBHE Policy 703.1, and the Retirement Plan Oversight Committee Charter.

Volk moved, Bye seconded, to recommend approval of the [Investment Policy Statement \(IPS\)](#), as presented.

Biller, Volk, Bye, Mihalick, and Black voted yes. Motion passes 5 – 0.

Volk moved, Bye seconded, to recommend approval of the [SBHE Policy 703.3 Retirement](#), as presented.

Biller, Volk, Bye, Mihalick, and Black voted yes. Motion passes 5 – 0.

Volk moved, Bye seconded, to recommend approval of the [Retirement Plan Oversight Committee Charter](#), as presented.

Biller, Volk, Bye, Mihalick, and Black voted yes. Motion passes 5 – 0.

9. Recommendation Change to the QDIA-Qualified Default Investment Alternative/Target Date Fund using TIAA RetirePlus Pro

Volk moved, Bye seconded, to recommend approval of the change to the QDIA-Qualified Default Investment, Alternative/Target Date Fund using [TIAA RetirePlus Pro](#), as presented.

Biller, Volk, Bye, Mihalick, and Black voted yes. Motion passes 5 – 0.

10. [Secure 2.0 Act Recommendations](#)

- a. Increase small balance cash out limit for terminated employees from \$5,000 to \$7,000 for the 401(a), 457(b) and 403(b) plans.
- b. Allow employee self-certification for hardship and unforeseeable emergency distributions for the 457(b) plan.
- c. Allow higher catch-up contributions for ages 60 – 63

Volk moved, Bye seconded, to recommend approval of the Secure 2.0 Act recommendations, as presented.

Biller, Volk, Bye, Mihalick, and Black voted yes. Motion passes 5 – 0.

11. NDUSO/CTS Budget Discussion

Member Volk thanked VCs Krebsbach and Danford for reviewing budgets and would like the BFC to review [SBHE Policy 302.3](#) Budget and Finance Committee and [SBHE Policy 802.6](#) Budget Management and Control, as they relate to the review and approval of NDUSO/CTS budgets, financial reports, and allocation of carryover budgets for NDUSO/CTS. They discussed financial/budget reporting and how those types of reports are formatted for the Board to fully understand the budget status throughout

the year. He stated he had made some recommendations, specifically to have BFC reviewing budgets prior to having them on the agenda for approval. He also made some suggestions on enhancing how the reports are formatted. The following was also discussed, but not limited to:

- BFC to review policies associated with the budgets, and their role and responsibilities as Board members.
- Budget details/formatting of financial statements.
- Carry over dollars throughout the year, specifically what is the Board's role on oversight and re-allocation of those dollars

Member Volk concluded by requesting the committee begin reviewing the policies to determine if they are adequate as a starting point and work from there. The committee members agreed, and additionally suggested the institutions be included in these discussions.

The meeting adjourned at 2:40 p.m. CT.

Approved January 23, 2025.