

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 February 18, 2025, at 10:30 a.m. CT.

SBHE Budget and Finance Committee members

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| <input checked="" type="checkbox"/> Mr. Kevin Black, Chair | <input 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 Interim President Brent Sanford, Ms. Rebecca Collins, Ms. Sonya Koble **DCB** Dean Carmen Simone, **DSU** Mr. Les Wietstock, **LRSC** Ms. Joann Kitchens, **MaSU** Ms. Amber Hill, **MISU** President Steven Shirley, Ms. Krista Lambrecht, **NDSCS** Mr. Keith Johnson, **NDSU** Mr. Bruce Bollinger, Ms. Karin Hegstad, Ms. Cynthia Rott, Ms. Patricia Hanson, Mr. Travis Aho, Mr. Thomas Claeys, Ms. Loretta Forsberg, Ms. Lisa Ripplinger, Mr. Michael Ellingson, **UND** Ms. Karla Mongeon-Stewart, Mr. Matthew Kibbon, Mr. Namil Choi, Ms. Cindy Fetsch, Mr. Terry Nelson, **WSC** President Bernell Hirning

System Office/CTS/Guests

NDUS VC. Jerry Rostad, Mr. Chris Pieske, Mr. Rick Tonder, Mr. Mark Gorenflo, Dr. Jennifer Weber, Dr. Billie Jo Lorus, Ms. Brenda Zastoupil, Ms. Jane Grinde, Ms. Claire Gunwall, Ms. Mindy Sturn, Ms. Jacqueline Miller, Mr. Dustin Walcker, Mr. Eric Jensen, Ms. Bethany Kadrmaz, Ms. Caitlin Magilke, **CTS** VC. Tom Danford, **AG** Ms. Meredith Larson

Call to Order

Committee Chair Black called the meeting to order at 10:31 a.m. CT.

Committee Business

1. Agenda
 - a. Member Bye requested to add item #18 Report of Presidential Compensation
 - b. Chair Black requested to add #19 Capital Projects Update
 - i. The agenda was unanimously approved as amended.
2. [Meeting Minutes](#)
 - a. Mihalick moved, Biller seconded, to approve the January 23, 2025, meeting minutes. The meeting minutes were unanimously approved as presented.
3. [DSU Request to Increase Bonding Authority](#)
 - a. Mr. Les Wietstock shared that DSU originally requested \$5 million in bond authority and then additional project costs needed to be covered so the request was increased to \$7.5 million and now the request is at \$12.5 million. Mr. Wietstock stated that DSU would use the difference as a bridge financing to cover

between when the ag building project is done and when the fundraising dollars come in. Furthermore, when funds are replenished, DSU would utilize those to complete updates on the student union.

- i. Member Mihalick asked if the requested upgrades are the same as the previous ask. Mr. Wietstock stated that they are the same upgrades.
- ii. Committee Chair Black asked what impact this would have on the CFI and what Dickinson's ability to service the bond payments are. Mr. Wietstock stated that DSU would be putting 68 new beds into service and DSU would see revenue from such. Additionally, these new rooms, which would be suite style, would generate more revenue than DSU's normal dorm rooms.
- iii. Mihalick moved, Biller seconded, to approve DSU's Request to Increase Bonding Authority.
Biller, Bye, Mihalick and Black voted yes. Motion passed 4-0.

4. [NDSU Memorial Union](#)

- a. Mr. Bruce Bollinger shared that NDSU has paid off their student union construction debt and students would like a refresh of the existing carpeting and lights, along with other renovations. Additionally, NDSU would like to look at putting an addition on the south side of the union. Mr. Bollinger shared that NDSU would attempt to raise money to lower the overall cost of \$50 million contingent upon the students' vote of approval to utilize student fees to pay for the remaining balance.
 - i. Member Biller asked how much NDSU hopes to generate in fundraising. Mr. Bollinger stated that NDSU would like to keep the student fees as low as possible and would be looking to raise \$25,000,000 in donations and \$25,000,000 for bonding.
 - ii. Chair Black asked that Mr. Bollinger expand on the student fees discussion, specifically because the union is paid off, did student fees decrease or are students paying the same. Mr. Bollinger shared that right now the fee was paying for the student debt and maintenance. The Student Government did authorize for the fee to continue for one more year. Furthermore, NDSU would plan to use these reserve funds to fund this project.
 - iii. Member Bye asked what percentage of the student fee is going towards maintenance and what percentage is being reserved. Mr. Bollinger stated that at this time NDSU is putting the revenue into a fund by itself and the funds would be used if the project were to be implemented.
 - iv. Member Bye asked what it means when the summary states that the project would not move forward if students do not approve. Mr. Bollinger stated that NDSU would have to bring the increased fee to a vote with students and if not approved, student fees could not fund this project, and the project would not go ahead.
 - v. Member Mihalick asked how much would be saved in deferred maintenance. Mr. Bollinger stated that the project request would only be for renovations to update and refresh the space and the building itself is in good shape.
 - vi. Bye moved, Biller seconded to approve NDSU's Memorial Union Renovation and Addition request.
Biller, Bye, Mihalick, and Black voted yes. Motion passed 4-0.

5. [NDSU BSL-3 Laboratory in Van Es Hall](#)

- a. Mr. Bollinger shared that NDSU is seeking board approval to proceed with the Van Es BSL-3 Laboratory project at a projected cost of \$8 million to be funded from Federal grant funds and further seeking legislative authorization to accept the grant funds to be used for the project. NDSU will not know if they are getting the grant funding until this summer but if not received, they would not proceed with this project at this time.
 - b. Biller moved, Bye seconded, to approve NDSU's BSL-3 Laboratory in Van Es Hall request.
Biller, Bye, Mihalick, and Black voted yes. Motion passed 4-0.
6. [NDSU University Village Replacement](#)
 - a. Mr. Bollinger shared that this project would be funded from special funds, including a combination of local and tier funds, and revenue bonds as necessary to defray the estimated cost of \$54,000,000. Mr. Bollinger stated that this project had already been approved by the SBHE and North Dakota Legislature; however, NDSU ran out of carryover authority due to Covid and NDSU not moving forward with this project at that time.
 - b. Biller moved, Bye seconded, to approve NDSU's University Village Replacement request.
Biller, Bye, Mihalick, and Black voted yes. Motion passed 4-0.
7. [UND Harrington Hall National Defense Corridor](#)
 - a. Ms. Karla Mongeon-Stewart shared that it was found in a previous audit that the request had not received board approval and is coming back for approval.
 - i. Member Biller asked in what phase UND is at with these improvements. Mr. Matthew Kibbon shared that this project was completed in 2024.
 - ii. Mihalick moved, Biller seconded, to retroactively approve UND's Harrington Hall National Defense Corridor project.
Biller, Bye, Mihalick, and Black voted yes. Motion passed 4-0.
8. [UND Tech Accelerator Nanofoundry](#)
 - a. Ms. Mongeon-Stewart shared that it was found in a previous audit that the request had not received board approval and is coming back for approval.
 - i. Biller moved, Bye seconded, to retroactively approve UND's Tech Accelerator Nanofoundry project.
Biller, Bye, Mihalick, and Black voted yes. Motion passed 4-0.
9. [UND Robin Hall UFORCE](#)
 - a. Mr. Kibbon shared that UND is requesting to renovate the basement in Robin Hall that is currently being used for storage of simulators, HVAC upgrades, etc. The total request for this project would be \$2,000,000.
 - i. Member Mihalick asked how much of this project would be funded by carryover. Mr. Kibbon stated that he does not have that information but can send that to VC. Krebsbach to share with committee members.
 - ii. Biller moved, Mihalick seconded, to approve UND's Robin Hall UFORCE request.
Biller, Bye, Mihalick, and Black voted yes. Motion passed 4-0.
10. [UND Upson Hall Materials Engineering Lab](#)
 - a. Mr. Kibbon shared the request for \$1,200,000 to renovate the College of Engineering and Mines to construct a materials engineering research lab and supporting academic spaces.
 - i. Member Bye asked if the legislative appropriations were specifically for remodeling and building or for something else. Mr. Kibbon stated they were for both research activities and for renovating spaces. Member Bye

asked if this is the full amount being used for space or are there leftovers that will be used elsewhere. Mr. Kibbon stated that the 2024 projects that were retroactively approved were built off these funds and at this time he does not have a breakdown of how much of the overall appropriation was used for projects versus research activities.

- ii. Mihalick moved, Bye seconded, to approve UND Upson Hall Materials Engineering Lab request.

Billier, Bye, Mihalick, and Black voted yes. Motion passed 4-0.

11. [UND SMHS Minot Lease Build-Out](#)

- a. Mr. Kibbon shared that this request is for a \$900,000 lease build out in Minot where UND SMHS was previously located. The landlord has neglected to complete upgrades necessary for the School of Medicine. The School of Medicine would like to enter into a new lease that is closer to Trinity Hospital.
 - i. Committee Chair Black asked what type of programming takes place in this space. Mr. Namil Choi stated that the Minot campus is primarily used for UND's MD program as well as medical resident and fellow training programs.

- ii. Biller moved, Bye seconded, to approve UND's SMHS Minot Lease Build-Out request.

Billier, Bye, Mihalick, and Black voted yes. Motion passed 4-0.

SBHE Policy

12. [Policy 611.10](#) Employee Responsibility and Activities: Theft, Fraud, Abuse and Waste

- a. Mr. Chris Pieske shared that the definition of theft was updated to mirror the statutory definition of theft in Criminal Code.
- b. Much of subsection 4 was removed because the compliance policy gives the Compliance Officer and campuses discretion in deciding whether and to what extent to investigate complaints.
 - i. Member Biller asked for more information on why the Administrative Affairs Council did not unanimously approve the policy as indicated in the Board Summary. NDUS staff reviewed the Administrative Affairs Council meeting recording and minutes and confirmed that the council did unanimously approve Policy 611.10.
 - ii. Bye moved, Mihalick seconded, to approve Policy 611.10 as presented. Billier, Bye, Mihalick, and Black voted yes. Motion passed 4-0.

13. [Policy 611.12](#) Use of State Vehicle

- a. Mr. Pieske shared that there were no substantive changes; reference to a form that is no longer used was removed.
 - i. Biller moved, Bye seconded, to approve Policy 611.12 as presented. Billier, Bye, Mihalick, and Black voted yes. Motion passed 4-0.

14. [Policy 802.7](#) Identity Theft Prevention

- a. Mr. Pieske shared the proposed edits are to bring in language from the federal regulation that's referenced.
 - i. Mihalick moved, Biller seconded, to approve Policy 802.7 as presented. Billier, Bye, Mihalick, and Black voted yes. Motion passed 4-0.

15. [Policy 810](#) Deposit of Funds: Investments, Endowment and Gift Funds

- a. Mr. Pieske shared that Policy 810 was up for regular periodic review with no suggested edits.
 - i. Biller moved, Mihalick seconded, to approve Policy 810 as presented.

Biller, Bye, Mihalick, and Black voted yes. Motion passed 4-0.

16. [Policy 916](#) Campus Security

- a. Mr. Pieske shared that the Internal Audit office conducted a review of campus compliance with the Clery Act and provided a couple of recommendations. The first recommendation was to create a campus safety task force. The second recommendation was to review the policy and determine if a more detailed procedure was needed. The task force has been created and will conduct their third meeting next week. Mr. Pieske shared that the task force has decided that they are in need of a forum where they can easily share resources and ask each other questions. This task force did not feel as though a detailed procedure was needed.
 - i. Member Bye asked if there is a type of rubric that is used when periodically reviewing policies. Mr. Pieske stated that his goal is to have policies reviewed every five years; however, this one may have gotten put to the side and is just now coming back for review since 2011.
 - ii. Bye moved, Biller seconded, to approve Policy 916 as presented. Biller, Bye, Mihalick, and Black voted yes. Motion passed 4-0

17. [HR Policy 5](#) Pay Policy

- a. Mr. Pieske shared in subsection 5 was removed as the Employee Suggestion Incentive Program no longer exists.
 - i. Mihalick moved, Biller seconded, to approve HR Policy 5 as presented. Biller, Bye, Mihalick, and Black voted yes. Motion passed 4-0.

Committee Reports/Updates/Discussions

18. Report on Presidential Compensation – Member Bye

- a. Member Bye requested an update on what is currently going on with presidential compensation
 - i. Member Mihalick stated that Member Campbell will be working with NDUS staff on creating and evaluating the compensation policy and plans.
 - ii. Ms. Grinde shared that Member Campbell did meet with NDUS office HR and was provided with background information.

19. Capital Projects Update – Chair Black

- a. Committee Chair Black stated that he would like to receive feedback from campus leadership on what they are hearing from legislators regarding their capital project requests, including requests not considered or approved by the SBHE.
- b. Member Biller suggested that each campus submit any project requests that are outside of what the board has approved so that board members are aware of what is going before the legislature.
- c. Biller moved, Mihalick seconded, to request the campuses that are pursuing any dollars be it operational programming, capital projects outside of what the SBHE has approved for this session, to submit a report and presentation to the Budget and Finance Committee for the March 2025 meeting. Biller, Bye, Mihalick and Black voted yes. Motion passed 4-0.

Adjourn

Committee Chair Black adjourned the meeting at 11:40 a.m. CT.
Approved March 18, 2025.