

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 March 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 checked="" type="checkbox"/> Mr. Jeffrey 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 Sanford, Ms. Becky Collins, Ms. Sonya Koble, **DCB** Dean Carmen Simone, **DSU** Mr. Les Wietstock, **LRSC** President Doug Darling, Ms. Joann Kitchens, **MaSU** Ms. Amber Hill, **MISU** Ms. Krista Lambrecht, **NDSCS** President Rod Flanigan, Mr. Keith Johnson, **NDSU** Mr. Bruce Bollinger, Ms. Karin Hegstad, Ms. Cynthia Rott, Ms. Patricia Hanson, Ms. Gina Haugen, Mr. Thomas Claeys, Mr. Michael Ellingson, Mr. Travis Aho, Ms. Lisa Ripplinger **UND** Ms. Karla Mongeon-Stewart, Mr. Namil Choi, Mr. Terry Nelson **VCSU** Ms. Erica Buchholz **WSC** President Bernell Hirning, Ms. Deb Halvorson

System Office/CTS/Guests

NDUS Chancellor Hagerott, VC. David Krebsbach, VC. Jerry Rostad, Dr. Jen Weber, Dr. Billie Jo Lorus, Mr. Mark Gorenflo, Ms. Jane Grinde, Mr. Chris Pieske, Ms. Jamie Wilke, Ms. Brenda Zastoupil, Ms. Sharon Schwartzbauer, Ms. Mindy Sturn, Mr. Rick Tonder, Ms. Robin Putnam, Ms. Jacqueline Miller, Mr. Eric Jensen, Ms. Claire Gunwall, Ms. Bethany Kadrmass, Ms. Caitlin Magilke **AG** Ms. Meredith Larson

Call to Order

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

Committee Consent Agenda

Member Biller requested items seven and nine be removed from the consent agenda and placed under Committee Business as individual items. Member Volk requested item three be removed from the consent agenda and placed under Committee Business as an individual item.

1. Agenda
2. February 18, 2025, [Meeting Minutes](#)
3. ~~[Policy 703.1](#) Early Retirement~~ REMOVED FROM CONSENT AGENDA, placed after item 12 as Committee action item.
4. [Policy 902.5](#) Construction Process-Architects, Engineers and Construction Managers
5. [Policy 902.11](#) Fire and Tornado Coverage
6. [Policy 902.12](#) Building Names
7. ~~[Policy 903](#) Sale, Removal, or Alteration of Buildings~~ REMOVED FROM CONSENT AGENDA, placed after item 12 as Committee action item.

8. [Policy 905](#) Special Assessments
9. ~~[Policy 910.1](#) Development of State Land~~ REMOVED FROM CONSENT AGENDA, placed after item 12 as Committee action item.
10. [Policy 914](#) Easements

Mihalick moved, Bye seconded to approve consent agenda items 1-2, 4-6, 8, and 10.

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

Committee Business

11. [2025-26 Housing, Food, and Fee Rates](#)

- a. Ms. Jamie Wilke presented the institutions' proposed final housing, food, and fee rates for the 2025-26 academic year. It is requested that the board approve the following:
 - i. ConnectND and NDSA fees - no change from 2024-2025.
 - ii. Approval of institution mandatory fee increases that exceed the 1% limitation.
 1. BSC is the only institution exceeding the 1% limitation. BSC's Student Government Association organized a student vote completed on September 27, 2023, with 308 votes cast by the eligible student voters. 254 of those voted yes, and 53 voted no. The fee increase would be to support BSC's Bavendick Center to support the new athletic multipurpose facility on campus for future education, social compliance needs, and athletic growth.
 - iii. Approval of institution course fees and program fees.
 1. NDSCS is requesting to change their established program fees from area specific to subject code specific areas.
- b. The house and food increases ranged from 0-15%, with an average increase of 4.1%. These increases are used for expected increases in salary and fringe benefits, inflationary costs and food service vendor rate increases.
- c. The Fall 2024 residency hall occupancy rates are higher with a 3.3% increase system wide in comparison to the Fall 2023 rate.
 - i. Member Bye asked what the average occupancy rate in dorms are nationwide. Ms. Wilke stated that the system office does not have that information at this time, but they can look into it and provide additional information, if available.
- d. Mandatory Fees
 - i. BSC's mandatory fees are significantly increasing due to the Bavendick Center bond that the campus voted on
 1. Member Volk asked if the increase for the Bavendick Center is the same as what was previously approved by the board when reviewing bonds. Ms. Wilke stated that the board did review the bonds but is not certain if the amount is the same. Ms. Becky Collins stated that it is the same amount that the board previously reviewed.
 2. Member Biller asked if there is a sunset on the student fees or if that is in perpetuity. Ms. Collins stated that it is in perpetuity.
 - ii. LRSC's student activity fees are increasing by 6.1%
 - iii. WSC's college fee and activity fees are increasing by 5.3% and 5.4%, respectively

- iv. UND's student fees are increasing by 6.1%
 - v. NDSU student activity fee is increasing by 3.4%, wellness center fee by 9.4%, student health service fee by 3.4%, career services fee by 3.4%, and library fee by 3.4%, which were approved by their Student Fee Advisory Board
 - vi. NDSCS's club and athletic fees are increasing by 150% and 1.6%, respectively
 - vii. DSU and MaSU are not making any changes to their mandatory fees
 - viii. MiSU's student activity and student athletic student success fees are increasing by 1.4% and 100%, respectively
 - ix. VCSU's facility fitness fees are increasing by 2.0%
 - x. DCB is decreasing their activity fees by (68.8%) and increasing their college fee by 135.2%.
- e. Technology Fees
- i. BSC's technology fees are decreasing by 11.99%
 - ii. DSU, MaSU, LRSC, WSC are not making any changes to their technology fees.
 - iii. UND's technology fees are increasing by 2.5%
 - iv. NDSU's technology fees are increasing by 3.4%
 - v. NDSCS's technology fees are increasing by 4.13%
 - vi. MiSU's technology fees are increasing by 40% which was approved by their Student Government Association on 1/23/2025
 - vii. VCSU's technology fees are increasing by 6.49%
 - viii. DCB's technology fees are increasing by 4.17%
- f. Program Fees
- i. Committee Chair Black asked Ms. Wilke to further explain what limitations the program fees have. Ms. Wilke stated that typically when these fees come to the board for review, it's to cover exceptional or critical individual program needs that are not adequate to fund through a tuition rate or other sources.

Bye moved, Volk seconded, to approve the 2025-26 Housing, Food, and Fee rates as presented.

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

12. [NDSCS Land Lease to City of Wahpeton for Recreation Center](#)

- a. President Flanigan shared that the City of Wahpeton has been looking at building a new parks and rec center for many years. This facility would be run and managed by the Parks and Rec Department of the city. Around 10 years ago, there was a vote to increase sales tax by 1% to help fund the building and that vote did fail.
- b. The new request is to use a piece of land that is NDSCS's and allow the City of Wahpeton to build the recreation center. NDSCS has owned this land for nearly 75 years and has not had a need to use it. NDSCS does not anticipate a need for it in the future.
 - i. Member Bye asked if there will be any sort of reduced fees for NDSCS students. President Flanigan shared that they are still in the negotiation stage. President Flanigan stated that he would be in support of this so long as there is some kind of support to NDSCS's employees and students.

- ii. Member Biller shared that the Board Summary does not specify lease terms. President Flanigan shared that it would be similar to what VCSU has done in the past. The least would be either 50 or 99 years.
- iii. Member Mihalick asked if there are other similar facilities in Wahpeton. President Flanigan shared that this has been controversial as Wahpeton doesn't have a YMCA but there are 2 or 3 for profit athletic businesses in Wahpeton. This new facility would include a zero-depth pool for kids, an indoor play area, as well as an area for retired individuals to gather for coffee, to play cards, etc.
- iv. Committee Chair Black asked if the request is to move forward in the process as there is no current lease to review. President Flanigan stated that the request would be to approve moving forward with lease negotiations.

Biller moved, Bye seconded, to support in principle the land lease with the City of Wahpeton, subject to approval of the funding by the city and approval of the terms of the sale or of the lease.

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

Items 3, 7, and 9 pulled from Consent

[Policy 903](#) Sale, Removal, or Alteration of Buildings

- a. VC. David Krebsbach shared that Policy 903 has not been reviewed since 2019 and the proposed amendment to section 1 adds language from N.D.C.C.
 - i. Member Biller asked if an institution wanted to repurpose a particular area related to their master plan, is this limiting what they can do with the building? Mr. Rick Tonder shared that if it is in the master plan to repurpose the area where the building sits on, it would then be obsolete. Member Biller asked how the board defines obsolete. Mr. Tonder stated that it would rely on the board's judgement.
 - ii. Ms. Karla Mongeon-Stewart recommends changing the work "and" to the word "or" at the end of the sentence. Mr. Chris Pieske shared that the proposed language to be added has come directly from Century Code and the language cannot be changed from that statute.

Mihalick moved, Bye seconded, to approve Policy 903 as presented.

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

[Policy 910.1](#) Development of State Land

- a. Member Biller discussed his concerns with section 3. a, and that there should also be an independent valuation of the land. Member Biller recommends adding language to section 3.a, to include valuation of land.
 - i. Member Mihalick stated that it should be determined as to how the land should be valued as there are a number of ways to do that.
 - ii. Member Volk asked if institutions are to present sale of land requests to the board before seeking legislative approval. VC. Krebsbach stated that it does take legislative approval to sell state lands. One exception may be if the land is received as a gift.

1. Ms. Karla Mongeon-Stewart shared that UND presented an item at the April 2024 BFC meeting regarding their proposal to lease or sell the property that is included in SB 2003. The other land item added to SB 2003 is a very small piece of land off 42nd St. that NDDOT has to purchase to proceed with the 42nd St. underpass project. If committee members would like to see that specific item, Ms. Stewart can present it at the next BFC meeting.
- iii. Committee Chair Black recommends sending the policy back to councils and Cabinet to receive professional input from those individuals.
- iv. Member Volk recommends all 900 series policies to be reviewed at the same time as many of the policies are intertwined with each other. Mr. Pieske shared that the Administrative Affairs Council did review the 900 series policies, and the policies reviewed today are those that had minimal or no changes. All other 900 series policies were held back, and the Administrative Affairs Council has formed a working group to review those.

Volk moved, Bye seconded, to table Policy 910.1 and review when all other 900 series policies come through the committee.

Biller, Bye, and Volk voted yes. Mihalick and Black voted no. Motion passed 3-2.

Policy 703.1 Early Retirement

- a. Ms. Jane Grinde shared that the proposed edits to Policy 703.1 would reflect that the 401 (a) retirement plan definition of compensation does not allow for retirement contributions to be made from a lump sum.
- b. Member Volk asked in section 5. b, what the business purpose is for having early retirement agreements available for the NDUS staff and CTS staff as their funding is different than institution funding. Chancellor Hagerott stated that there have been exceptional circumstances in the past where it was more beneficial to have senior employees at higher salaries move on to help bring up the newer hires. Ms. Grinde stated that this policy would be a gateway to addressing those rare scenarios.

Bye moved, Mihalick seconded, to approve Policy 703.1 as presented.

Bye and Volk voted yes. Biller, Mihalick, and Black voted no. Motion failed 2-3.

Volk moved to remove NDUS staff, including CTS from section 5, b. Motion failed for lack of a second.

- c. Chancellor Hagerott recommended that the system office staff conduct a study of the issue for the Budget and Finance Committee. Committee Chair Black agreed with this approach and asks that Mr. Pieske take this back to the Human Resources Council for review the policy further, specifically language pertaining to NDUS staff, Chancellor, Vice Chancellors and CTS staff.

Committee Reports/Updates/Discussions

13. [Mid-Year Budget Report](#) – Ms. Jamie Wilke

- a. Ms. Jamie Wilke shared that section 1 shows the annual budget net tuition revenue estimates and 5 institutions are reporting higher than budgeted net tuition revenues due to increased enrollment numbers. UND shared that the increase is due to increased freshman enrollment and improved student retention.
 - b. Section 2 is the annual budget revenue estimates for total auxiliaries and variances exceeding plus or minus 5% . Six institutions reported increased auxiliaries beyond 5% of the original budget revenue estimate and three campuses reported increased occupancy rates beyond 5% over the prior year.
 - i. MaSU reported a shortfall in auxiliary revenue related to their bookstore and student lounge areas, which were closed for four months due to remodeling causing temporary losses in budgeted revenues.
 - ii. MiSU reported a decrease in occupancy rates greater than 5% due to lower freshman enrollment.
 - c. Section 3 reports the net position of funds or fund variance deficit balances.
 - i. LRSC reported third party billings related to collaborations with other institutions and due to the timing of the report being December 31, 2024, they had outstanding accounts receivable of a deficit of \$368,000. It is anticipated that this account will be resolved by the end of this fiscal year.
 - ii. WSC reported a negative balance of approximately \$190,000 in their hockey program and they are continuing to address this shortfall by fundraising. They anticipate that they will break even in this program by the end of fiscal year 2029.
 - d. Section 4 shows the annual revenue bond reserve requirements, and all campuses anticipate meeting their bond requirements.
 - e. Section 5 is legal action system wide and there are three new items and six prior that are still active and one that has concluded.
 - f. Section 6 reports no institutions needing deficiency appropriations.
 - g. Section 7 is other events having significant impacts on campus revenues or expenses.
 - i. NDSU provided comment that they are continuing to monitor the uncertainty regarding the continuation and/or changes to federal grant funding and continue to monitor enrollment and retention trends.
 - ii. Member Bye stated in Strategic Goal 1 it deals with financials to optimize student affordability while maintaining campus financial health. With the tuition increases, how does that impact the goal of being regionally competitive? Ms. Wilke stated that the report looks at what the institution's budget for anticipated tuition revenues based on the tuition rates that were established by the board. Institutions at this time are not requesting an increase in tuition. The system office will collect pertinent information for the academic year 2025-26 tuition rates and present those for approval after the legislative session has concluded.
14. Institutions to Report on Legislative Request Outside of SBHE Approved Budget Request
- a. [Lake Region State College](#)
 - b. [University of North Dakota](#)
 - c. [Williston State College](#)
 - a. President Hirning shared one ask that is outside of WSC's healthcare facility are for \$1.49 million for startup costs for the new healthcare programs for the new healthcare facility. WSC has also requested reconstruction dollars in the

amount of \$2 million to retrofit space that is being vacated by nursing and massage as they have moved to a new building. This space will be used for traditional classrooms for the four-year bachelor's completion programs. WSC's third request is for \$1 million to increase staffing to service the growth that WSC has had this academic year – 16% growth in the fall semester and 20.6% growth in the spring semester.

- d. All other institutions
 - a. Interim President Sanford reports that BSC is continuing to pursue the health sciences project in the amount of \$43 million.
 - b. Dean Carmen Simone reports that DCB is continuing to move forward with the request to replace their residence halls in the amount of \$29.8 million. DCB has received permission from the board to seek to demolish one of the halls and coupled with that is the request to build a new residence hall. DCB is also requesting TrainND assistance for the community of Minot.
 - c. Mr. Les Wietstock reports that DSU is pursuing the Education and Academic Excellence Center that was previously proposed as part of the original funding. At the time of review, this request was moved down to second on the priority list. Furthermore, DSU is requesting assistance for the presidential transition in the amount of \$125,000; \$500,000 for the reimplementation of campus security; \$1.875 million for deferred maintenance for some major projects; \$1 million for continual funding to support the Theodore Roosevelt Project in conjunction with the Theodore Roosevelt Library.
 - d. Ms. Amber Hill shared that MaSU has a \$1.75 million ask to raise MaSU to market pay which is approximately 7% over the biennium.
 - e. Ms. Krista Lambrecht shared that MiSU had two requests approved by the board – Regional Health Institute in the amount of \$12.35 million and the academic facilities renovation just over \$8 million. An additional request has come up for the Dakota Hall demolition. MiSU received \$765,000 during the last legislative session and MiSU has now discovered additional issues and costs related to some tunnels that run under the building, so MiSU is asking for an additional \$635,000.
 - f. President Flanigan shared that NDSCS has had a challenge in Fargo with their foundation owned buildings. NDSCS made an ask during the House session to acquire the 19th Ave. location for \$5.6 million.
 - g. Mr. Bruce Bollinger shared that NDSU has put in an ask for the New Horizon Project in the amount of \$35 million.
 - h. Ms. Karla Mongeon-Stewart shared that UND was apprised of two bills that were not started by UND. HB 1600 is appropriation for \$400,000 to require UND to have an immigration law clinic. HB 1612 is appropriation for \$500,000 for aerospace medicine for mental health support and certification assistance for pilots.
 - i. Ms. Erica Bucholz shared that VCSU is continuing to pursue the McFarland deferred maintenance project, which was approved by the board in June. VCSU is asking the legislature to consider going above the 96% minimum payable so that they can use the funds they have saved from what they've been planning for that decrease to do different deferred maintenance projects.

~~15. [Policy 302.3](#) Budget and Finance Committee~~

1. Committee members were unable to review Policy 302.3. This discussion will be placed on the April 2025 agenda.

Adjourn

Committee Chair Black adjourned the meeting at 12:10 p.m. CT.

Approved April 15, 2025.