

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

April 15, 2025

The State Board of Higher Education Budget and Finance Committee met on April 15, 2025, at 10:30 a.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. 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 Ms. Sonya Koble, **DCB** Dean Carmen Simone, **DSU** Mr. Les Wietstock, **LRSC** President Darling, Ms. Joann Kitchens, **MaSU** President Van Horn, Ms. Amber Hill, **MISU** President Shirley, Ms. Krista Lambrecht, **NDSCS** President Rod Flanigan, **NDSU** Mr. Bruce Bollinger, Ms. Karin Hegstad, **UND** Ms. Karla Mongeon-Stewart, Mr. Namil Choi, Mr. Terry Nelson **VCSU** Ms. Erica Buchholz **WSC**

System Office/CTS/Guests

NDUS VC. David Krebsbach, VC. Jerry Rostad, Mr. Mark Gorenflo, Ms. Jane Grinde, Mr. Chris Pieske, Ms. Jamie Wilke, Ms. Brenda Zastoupil, Mr. Rick Tonder, **AG** Ms. Meredith Larson, **Bond Schoeneck & King** Attorney John Godsoe

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

1. Agenda
 - a. Volk requests to move agenda item 12 after item 3 NDUS Retirement Plans.
 - b. President Flanigan requests to remove item #9, NDSCS's request for their Football Field Renaming.

And,

2. March 18, 2025, [Meeting Minutes](#)
Mihalick moved, Volk seconded, to approve the amended agenda and the March 18, 2025, meeting minutes as presented.

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

3. [NDUS Retirement Plans](#)
 - a. Attorney John Godsoe shared that the presented documents related to NDUS retirement plans include decisions that were previously made by the Retirement Oversight Committee, the Budget & Finance Committee, and ultimately the SBHE. Attorney Godsoe is seeking approval to finalize the provisions within the contracts.
 - b. Attorney Godsoe shared background information including actions that were previously approved to reduce the fees involved with the plans, leveling fees

across all participants, updating the investment menu, updating contracts, and establishing what TIAA and HUB refers to as RetirePlus Pro qualified default investment alternative. With the age-based default funds, plan participants can select between a conservative, moderate, or aggressive pathway.

- c. The current plan has retirement date funds based on age. These are more expensive plans to manage at 37-47 basis points. The new funds charge 6 basis points to manage, with HUB receiving 2 basis points based on their work in constructing the age-based portfolio models.
- d. Currently HUB acts as a 321-investment advisor. With the new plan, HUB will be acting as a 338-investment manager.

Volk moved, Bye seconded, to authorize the SBHE Chair, who serves as the Plan Administrator for NDUS retirement plans, to move forward with contract negotiations for the TIAA/HUB RetirePlus Pro/My Track project and to authorize the Chair to execute the required documents or contracts following review and approval by legal counsel.

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

4. [Policy 302.3](#), Budget and Finance Committee

- a. Member Volk shared his concerns that Policy 302.3 is not being followed as written. He would want to evaluate implementation of the policy before revising the current language.
- b. Member Volk shared that he has developed a proposed plan to roll out financial statements from the system office to the Budget & Finance Committee and approving both legislative requests and annual budgets
- c. Member Volk stated that in the last year the system office has posted quarterly income statements, however, the committee has not reviewed them in appropriate detail.
- d. Member Volk requests that all committee members review his proposed plan, to be distributed by the system office, and that the proposal be reviewed by the full committee.
- e. Committee Chair Black stated that he will work with Ms. Kristie Hetzler to share out the proposed plan, as well as a markup of the current policy for committee members to review. Furthermore, Committee Chair Black confirmed that the committee will begin to audit compliance with Policy 302.3, making sure all committee members agree upon the basic terms and definitions, and if need be, schedule a special Budget & Finance meeting to review the documents together.
- f. Member Bye asked if the Budget & Finance Committee's review responsibilities pertain to all institutions or the system office alone. Mr. Chris Pieske and VC. David Krebsbach stated that the Committees questions and concerns about the policy and its implementation will be taken back to the NDUS Administrative Affairs Council for further review and discussion.

5. Changes to [Minnesota/North Dakota Reciprocity MOU](#)

- a. Ms. Brenda Zastoupil shared in prior years the only changes to the MOU were dates from one year to the next. The MOU is being brought forward this year with more substantive changes necessitated by the Minnesota Office of Higher Education.

- b. The Minnesota Office of Higher Education approached the NDUS last year stating that they would no longer be the processor of both Minnesota and North Dakota applications. Now, each state must administer their students' applications. For North Dakota students this will be done through the ND SAMS system. For Minnesota students this will be done through the MN Aid system.
- c. In the past, incoming freshmen could be accepted without an application. Minnesota no longer will allow institutions to accept students into the reciprocity program without an application. This change only impacts on new incoming students and not renewed students.
- d. In regard to the reporting of credits, in the past NDUS institutions were able to provide one report that was processed through CTS and the Minnesota Office of Higher Education. Institutions will now have to report into the MN Aid system and Minnesota institutions that have students participating will have to report back into ND SAMS.
- e. The deadlines for application submission have also changed. The fall deadline will be December 31; spring deadline will be May 31; and summer deadline will be August 31.
- f. These changes will go into effect for the 2025-2026 academic year.
- g. Member Bye asked if Minnesota students would be required to submit an application like North Dakota students. Ms. Zastoupil stated that every student, whether a North Dakota or Minnesota student, will have to submit an application to their respective state.
- h. Member Bye asked if the changes to the MOU were mandated unilaterally by Minnesota or did the Minnesota Office of Higher Education work closely with the NDUS on these changes. Ms. Zastoupil stated that historically Minnesota would process the applications and gather credit information for students but since moving to a new system, the discussions of what each state must do to implement reciprocity on both sides began.
- i. Member Biller asked if the reciprocity would apply to both in-person and online students. VC. Krebsbach stated that there is nothing within the agreement that distinguishes any difference between an online or in-person student.
- j. Member Volk asked if the timing of the changes would be an issue for institutions. Ms. Zastoupil noted that institutions accepting Minnesota resident students prior to this change notification would need to reach out to those students to have them apply for reciprocity.

Bye moved, Mihalick seconded, to recommend approval of the Minnesota/North Dakota Reciprocity MOU

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

6. [Policy 902.11](#) Fire and Tornado Coverage

- a. VC. Krebsbach shared at the direction of the SBHE in March, Policy 902.11 is being brought back to the Budget & Finance Committee for further review and discussion.
- b. Member Volk shared that he has compared the average value per square foot of property for similar buildings and his findings have yielded big differences from one campus to the next. There are also large differences between stated replacement costs and the actual cost per square foot of new buildings

requested from the legislature. This has raised a question about the process for determining replacement costs.

- c. Mr. Rick Tonder shared that the process of determining the replacement values is done in partnership with the Insurance Commissioner in accordance with Century Code. The Insurance Commissioner has the final say on what the value of any particular building is, and different factors are used such as age of property. Mr. Tonder provided an example that if a homeowner's roof is hailed out the insurance company won't replace the roof on a new value and only what's left of it, which is similar to how the process works for the system.
- d. Member Bye asked if Mr. Tonder's response answered the question on how replacement costs are determined. Member Volk stated that it does not quite answer his question as the policy states a replacement cost and not a depreciation value.
- e. Member Volk stated that it's important to know what the replacement costs for buildings are as it can be helpful when deciding on maintenance projects for buildings.

Bye moved, Volk seconded, to recommend approval of Policy 902.11 Fire and Tornado Coverage

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

7. [Policy 902.12](#), Building Names

- a. VC Krebsbach noted amendments to the policy were made based on a previous question by Member Volk, section 3c has been edited to preclude the naming of buildings after an NDUS employee unless their employment ended at least ten years ago.
- b. Member Biller asked if the policy should identify a timeline for how long a building is to be named after someone.
- c. Member Mihalick stated that typically a campus's foundation works alongside the president and their staff are ultimately responsible for naming rights. Mr. Pieske stated that putting in an end date would require institutions to track and monitor those timelines.

Biller moved, Bye seconded, to recommend approval of Policy 902.12, as presented.

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

8. [NDSU Program Fee Increase](#) (TAP program)

- a. Ms. Karin Hegstad stated that the TAP program fee increase should have been included in last month's agenda for room, board, and fee rates.
- b. Ms. Hegstad shared that the TAP program provides students with intellectual and developmental disabilities with the opportunity to attend classes and live on campus. Most of the classes these students take are non-degree seeking courses. The program fee is \$4,000 per year or \$2,000 per semester.
- c. NDSU is seeking approval to increase the fees to \$8,000 per year or \$4,000 per semester to match Minot State University's TAP fees.
- d. Ms. Hegstad shared that 4 students were in this program last year, 11 students this year, and 25 students enrolling for next year.

Biller moved, Volk seconded, to recommend approval of NDSU TAP Program Fee Increase.

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

9. [NDSU Tuition Exemption Request MN-WI-IL](#)

- a. Ms. Hegstad shared that the tuition exemption request is driven in part by changes in the Minnesota Reciprocity MOU.
- b. Ms. Hegstad shared that 45% of NDSU's students come from Minnesota. In the previous process, students that came from high school directly into college were automatically approved and did not have to apply for reciprocity tuition. MN students enrolling in NDSU for next year are significantly lagging in applying for the reciprocity tuition (which equals 112% of in-state tuition). If they fail to complete the application, they would be subject to 125% of instate tuition, jeopardizing their enrollment or their continuance at NDSU.U
- c. NDSU is seeking approval to:
 - i. Temporarily set the tuition for Minnesota students who qualify for but fail to apply for the reciprocity tuition the contiguous state tuition rate of 120% on the instate rate;
 - ii. Charge Minnesota students who don't qualify for the reciprocity rate the contiguous states rate;
 - iii. Charge Wisconsin and Illinois students the contiguous states rate (NDSU has had some success in recruiting these students by waiving tuition in excess of the contiguous states rate).

Volk moved, Bye seconded, to approve NDSU Tuition Exemption Request as presented.

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

10. [NDSCS Football Field Renaming](#)

President Flanigan withdrew this item from the agenda.

11. [NDSCS Tech Center Renaming](#)

- a. President Flanigan shared that NDSCS is seeking approval to rename the Tech Center to The Yaggie Family Agriculture Center.
- b. The Yaggie Family donated \$1,000,000 to NDSCS in support of the Tech Center.

Volk moved, Bye seconded, to approve the NDSCS Tech Center Renaming request.

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

12. FY2024 NDUS Annual Financial Review Report

- a. Committee Chair Black requested the committee members to review on their own the report provided by Ms. Robin Putnam. [FY2024 NDUS Annual Financial Review Report](#)

Committee Chair Black adjourned the meeting at 11:40 a.m. CDT.

Approved May 20, 2025.