The State Board of Higher Education Budget and Finance Committee met by conference call on Monday, December 8, 2014, at 9:00 a.m. CT. The call originated in the NDUS office, 10th floor of the State Capitol, Bismarck, ND.

SBHE Budget and Finance Committee members participating:
  - Mr. Don Morton, Chairman
  - Dr. Kirsten Diederich
  - Mr. Grant Shaft
  - Ms. Janice Hoffarth, non-voting

Other NDUS participants:
  - Dr. Larry C. Skogen, Interim Chancellor
  - Bruce Bollinger, VP, Finance and Administration, NDSU
  - Mr. Brian Foisy, VP, Administration and Finance, MiSU
  - Cathy McDonald, Director of Finance, NDUS
  - Chris Ringwall, DSU Research Extension Center
  - Murray Sagsveen, Chief of Staff, NDUS
  - Dr. Steve Shirley, president, MiSU
  - Rick Tonder, Director, Facility Planning, NDUS
  - Terry Meyer, Administrative Support Manager, NDUS

Mr. Morton convened the meeting at 9:00 a.m.

**October 17 meeting minutes**

Mr. Shaft moved, seconded by Chair Morton, to approve the October 17, 2014, minutes. Shaft and Morton voted aye. The motion carried.

**2015 meeting dates**

Mr. Morton reviewed the proposed 2015 meeting dates. Mr. Shaft moved, seconded by Chair Morton to approve the 2015 meeting dates. Shaft and Morton voted aye. The motion carried.

Dr. Diederich joined the meeting.

**2015-16 room, board and fee guidelines**

Ms. McDonald said according to SBHE policy 805.6, campus Presidents may assess room and board rates that are consistent with room and board rate guidelines approved by the Board. Also, according to SBHE policy 805.2, campus presidents may also approve increases in student government activity and university/college fees, unless the total increase in all mandatory fees are greater than 1% of the FY15 full-time, resident, on-campus, undergraduate tuition rate at that institution. The student government activity fee shall be established by a vote of either the student body or its elected representative body. The university/college fee shall be established following notification of the institution student government body, which provides students an opportunity for input.
Campuses will set rates early in CY 2015, so they can be properly communicated to students. Increases in room, board and fee rates will be factored into overall rate increases and presented to the SBHE, when the SBHE considers tuition rates and other select mandatory fee changes (CND and NDSA fees) in Spring 2015 after the adjournment of the legislative session.

Ms. McDonald provided an overview of five-year comparison of room and board rate increases, mandatory student government and university/college fee increases, and the mandatory student government and university/college fee increases with the committee.

In response to Dr. Diederich’s question on the number of exemptions approved over the years, Ms. McDonald said before an exemption is approved by the Board, information is provided, including student input and recommendation on how they would support those recommendations. Concerning the exemptions that have been approved by the Board, the Board had necessary information to approve those exemptions.

**Mr. Shaft moved**, seconded by Dr. Diederich, to approve the 2015-16 room, board and fee guidelines. Shaft, Diederich and Morton voted aye. The motion carried.

**DCB Campus Generator**

Mr. Tonder said, due to some change in personnel on the DCB campus, the cost for the transformer and engineering fees wasn’t included in the total cost of the campus generator. In order to cover the cost, an additional $34,143 is needed from the 13-15 capital projects contingency fund. This will potentially reduce the overall amount available in the contingency pool for the DCB Thatcher Hall, which was $34,243, which has not yet been requested by nor allocated to DCB for Thatcher Hall.

Mr. Tonder said that Mr. Sagsveen is writing a letter to Legislative Council informing them of this issue. Mr. Tonder said he will follow-up with campuses on needed training, providing them with an information list on what is to be included in project costs and approvals required, especially those campuses that don’t deal with capital projects on a regular basis.

**Dr. Diederich moved**, seconded by Mr. Shaft, to approve allocation of $34,143 from 13-15 capital project contingency pool to DCB for the campus generator. Diederich, Shaft and Morton voted aye. The motion carried.

Chair Morton suggested the Board and the Committee should accelerate the discussion of shared accounting services for the smaller campuses, particularly in the oil patch. This has been very successful at corporations and institutions around the country. And this is one way the Board can address these turnover issues.
NDSU Dickinson Research Center (DREC) to enter into an exclusive option to purchase land agreement

Mr. Tonder said this is an opportunity for the DREC to sell some high value land in Dickinson, which is becoming less suitable for research due to its proximity to urban growth. DREC will subsequently buy new property that is more distant from the urban area and, therefore, more suitable for continued research operations. Proceeds of the sale to be used for purchasing the Duane J. Boehm property, complete required improvements, and fund any future increase in operating costs.

Mr. Shaft moved, seconded by Dr. Diederich, to authorize NDSU DREC to enter into an exclusive option to purchase land agreement with the estate of Duane J. Boehm for 1,680 acres, with the purchase contingent upon the sale of 240 acres of existing DREC land. Proceeds of the sale to be used for purchasing the Boehm property, complete any required improvements, and fund any future increase in operating costs. Further, request authorization to seek legislative authority for the purchase, sale, and any required improvements through legislation introduced and sponsored by Senator Wardner, District 37, Dickinson. Shaft, Diederich, and Morton voted aye. The motion carried.

MiSU football stadium press box

Mr. Tonder said in January 2012, MiSU received SBHE approval to begin an $11M fundraising campaign for the improvement of athletic facilities. This project was later authorized by the 2013 Legislature at $11.8M from private funds.

President Shirley said there was the initial approval, with the press box being one part of the overall project. This scope and size of the project has remained the same. Mr. Foisy said the site of the new press box is the site of the old press box. The primary request for change in authorization comes from a set of utility lines that ran underneath the old press box; and, as MiSU contemplated a new press box, the City of Minot approached MiSU asking that the utility lines be relocated a few feet to the north to provide the City with a comfort level they need should there be any repairs. MiSU has set aside institutional funds to cover the relocation of the lines. Therefore SBHE and legislative approval is needed for the change in funding source.

Mr. Shaft moved, seconded by Dr. Diederich, to approve change in authorization for MiSU football stadium press box from $4.0 million to $5.0 million, funded $4 million from City of Minot and up to $1 million in MiSU local funds. Further, seek appropriate legislative authorization for the change. Diederich, Shaft, and Morton voted aye. The motion carried.

WSC new boiler plant serving Steven’s Hall and the Fieldhouse

Mr. Tonder said this project started last spring and, due to campus personnel changes, the project moved forwarded not fully understanding the implications for the additional costs. WSC is now facing a budget shortfall and, therefore, has approached the WSC Foundation to borrow an additional $300,000. This request may require both the Board and the Legislature’s authorization. Mr. Tonder said over the next few days, he will be in discussions with WSC to look at other financing options to see if there are other options available to WSC. He mentioned that perhaps an equipment lease combination is better for the campus than simply borrowing the $300,000 and to possibly look at a lease arrangement for some of it.
Chancellor Skogen said he was not aware of the possible finance option, and he asked Mr. Tonder if he is requesting this item be removed from the agenda. Mr. Tonder said he would suggest the current motion be considered, as it would give WSC both the option to lease or finance through the Foundation. He said he would work with WSC to determine the best and most appropriate final option, either leasing or financing through the Foundation.

**Mr. Shaft moved**, seconded by Dr. Diederich to authorize Williston State College to borrow up to $300,000 (at 2% annual interest for a five-year term) from the WSC Foundation to partially fund the replacement of the new boiler plant serving Steven’s Hall and the Fieldhouse. Authorization is delayed until Mr. Tonder has exhausted other financing options. Shaft, Diederich, and Morton voted aye. The motion carried.

Meeting adjourned at 9:36 a.m.