North Dakota State Board of Higher Education
Minutes of the February 26, 2015, Meeting
At Bismarck State College

Vice Chair Neset called the meeting to order at 1:00 p.m. CDT.

Members present:

Ms. Kathleen Neset, Vice Chair  Mr. Don Morton
Dr. Kevin Melicher  Ms. Kari Reichert
Mr. Chris McEwen  Ms. Janice Hoffarth, Staff Adviser
Dr. Eric Murphy, Faculty Adviser

Board Training
Mr. Murray Sagsveen briefed the Board on the background of the current defined contribution and supplemental retirement plan, which are administer by Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF). He stated there are currently three retirement plans offered by TIAA-CREF: 401(a), 403(b), and 457(b); the plans have assets totaling $1.5B. The SBHE has a fiduciary responsibility for appropriate administration of the plans; however the Board that they can delegate certain duties to the North Dakota University System office (NDUS) office. In May of 2014, the SBHE took the following actions:

• Delegated plan administration to Chancellor
• Authorized Chancellor to re-delegated to Vice Chancellor for administrative affairs
• Authorized the Chancellor to appoint committee
• Authorize Chancellor to retain attorneys and consultants
• Require Chancellor to submit an annual report to SBHE
• Adopted a Retirement Plan Investment Policy Statement

Ms. Julie Kalvelage, Institutional Relationship Manager from TIAA-CREF, introduced her colleague, Mr. Paul Krajcir. She stated that Mr. Krajcir will be taking her place as the Institutional Relationship Manager for the NDUS. Mr. Tim Walsh, TIAA-CREF, joined by phone and presented “Fiduciary Standard of Care and Oversight; A Practical Approach.” Ms. Kalvelage presented the plan overview which outlined plan assets, contributions and investments, and an investment summary.

Recessed 1:50 p.m. CDT.

Reconvened 2:05 p.m. CDT., live webcast begins.

Members present:

Ms. Kathleen Neset, Vice Chair  Mr. Don Morton
Dr. Kevin Melicher  Ms. Kari Reichert
Mr. Grant Shaft  Mr. Chris McEwen
Ms. Janice Hoffarth, Staff Adviser  Dr. Eric Murphy, Faculty Adviser

Interim Chancellor present: Dr. Larry C. Skogen
Institution Presidents present:

- Dr. Doug Darling, President, LRSC
- Dr. Gary Hagen, President, MaSU
- Dr. John Richman, President, NDSCS
- Dr. Brian Foisy, MiSU
- Dr. Ray Nadolny, President, WSC
- Dr. Ken Grosz, Dean, DCB
- Dr. Tisa Mason, President, VCSU
- Dr. Dean Bresciani, President, NDSU
- Dr. Robert Kelley, President, UND
- Mr. Dave Clark, Interim President, BSC
- Dr. Ray Nadolny, President, WSC

NDUS senior staff present:

- Mr. Murray Sagsveen, Chief of Staff and Director of Legal Services
- Dr. Sonia Cowen, Interim Vice Chancellor for Academic and Student Affairs
- Ms. Linda Donlin, Vice Chancellor of Strategic Engagement
- Dr. Lisa Feldner, Vice Chancellor for Institutional Technology and Research
- Ms. Laura Glatt, Vice Chancellor Administrative Affairs
- Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

Approval of Agenda

Morton moved, McEwen seconded, to approve the February 26, 2015, Board agenda.

McEwen, Reichert, Melicher, Morton, Shaft, and Neset voted yes. The motion carried.

Approval of Meeting Minutes

Mr. Shaft reiterated that during the meeting on January 29, 2015, he noted that the Roles and Responsibilities report is not a policy and the organizational chart in the January 29, 2015, minutes is the agreed upon reporting structure. He requested his statements be recorded in the minutes.

Melicher moved, McEwen seconded, to approve the January 29, 2015, meeting minutes.

Melicher, Morton, Reichert, McEwen, Shaft, and Neset voted yes. The motion carried.

Board Chair’s Report

Ms. Neset explained the absence of the Board Chair, Dr. Hjelmstad, and as Vice Chair, she would chair the meeting.

Chancellor’s Report

Interim Chancellor Skogen stated the Board will be reviewing applications for the Chancellor position during their March 26, 2015, meeting.

Dr. Skogen indicated that some institutions are beginning to implement shared services. The University of North Dakota (UND) is currently assisting Williston State College (WSC) in its financial aid and finance departments and they have signed a shared service agreement.

Dr. Richman, President of North Dakota State College of Science (NDSCS), and Dr. Bruce Bollinger, Vice President for Finance and Administration at North Dakota State University (NDSU), indicated that they have been sharing services in the Information Technology Department. They have extended shared
services in the facility management department and have signed a memorandum of agreement. Dr. Richman stated that human resources staffs at the two institutions have met and agreed that NDSU would also start assisting NDSCS in its payroll department; he indicated they would begin running NDSCS payroll by April 1, 2015, and if it works well for both campuses, they will further expand shared service in the payroll/human resource department.

Board Member Mr. Don Morton would like campuses to accelerate their efforts in shared services, particularly in integrating technology. Chancellor Skogen stated that as shared services evolve, and future conversations occur, it is important to know the Board’s preference in shared services: centralized versus consolidated.

**Strategic Planning**
Ms. Linda Donlin, Vice Chancellor of Strategic Engagement, introduced the Board to a new electronic tool called Strategic Planning Online (SPOL) for tracking strategic plan progress. She distributed a report generated through this tool of the Presidents; submitted goals aligning their personal performance and institutional goals with the Board’s 2015-2020 strategic plan. She explained that the President’s goals are only for a six-month period, rather than a full year, due to the Board’s adoption of the Strategic Plan in October 2014. Board members stated they have concerns that the goals are too broad and that success or failure would be hard to determine. Ms. Donlin explained the goals were broad because the Board’s approval of the new plan occurred during the middle of their annual institutional plan years. She also stated that the goals for next year will have more metrics and details as the Presidents and their teams align their campus plans with the Board’s five-year plan. Mr. Morton requested the Board be included in next year’s goal setting process with the Presidents and the Chancellor.

**Legislative Update**
Dr. Skogen informed the Board members that NDUS is scheduled to make its presentation to Senate Appropriations on the engrossed HB1003, the NDUS budget, on March 23.

Ms. Glatt gave a comprehensive overview of HB1003 and HB1151. Ms. Glatt created a table that compares three versions of the bills request: Executive recommendation, and the House Education & Environment recommendation for the general fund only.

### Summary of Engrossed HB1003 and HB1151
**Amendment version #15.8111.01025**

**TABLE 1**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Base Increase</td>
<td>$137 M</td>
<td>$131.7 M +19.4%</td>
<td>$44.1 M +6.5%</td>
</tr>
<tr>
<td>One-time Increase</td>
<td>$69 M</td>
<td>$66 M</td>
<td>$52.7 M</td>
</tr>
<tr>
<td>Capital Projects-One Time</td>
<td>$283 M</td>
<td>$136 M</td>
<td>$62 M</td>
</tr>
</tbody>
</table>

HB1151, as amended, provides $19 million for Challenge Grant Program
I. Changes with fiscal impact

1. Makes Student Credit Hour (SCH) formula changes, as follows:
   a. Reduces weighting factor for remedial credits from 2.3 to 1.0 (reduces SCH’s at BSC, LRSC, WSC, NDSCS, DSU, VCSU, DCB)
   b. Changes per SCH funding from the average of the two highest in each tier to the average of the tier (negatively impacts most especially DSU and WSC)
   c. Reduces institutional size factor from 1.8 to 1.7 (only NDSCS impacted)
   d. Changes credit completion factor (generates additional credit hours at BSC, LRSC, MiSU; generates fewer credit hours at DCB, MaSU and VCSU)
   e. Does not apply an inflation factor for cost to continue (e.g. utility increases, employee compensation increases) in campus budgets. Cost increases would have to be covered from funding formula allocations, if any.
   f. Removes $2.5 M BASE funding at MiSU.

   **TABLE 2**

   **Summary of SCH Funding Formula Changes – Financial Impact**

<table>
<thead>
<tr>
<th></th>
<th>SBHE Request - Increase</th>
<th>Exec Rec. - Increase</th>
<th>House E&amp;E Proposal - Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCH &amp; formula changes</td>
<td>$35.9</td>
<td>$35.9</td>
<td>$38.31</td>
</tr>
<tr>
<td>Rebalancing formula</td>
<td>$13.05</td>
<td>$13.9</td>
<td>$1.3</td>
</tr>
<tr>
<td>Top in each tier</td>
<td><strong>Average of top 2 in each tier</strong></td>
<td><strong>Average of tier</strong></td>
<td></td>
</tr>
<tr>
<td>Base funding of $2.5 M at MiSU</td>
<td></td>
<td>($2.5) M</td>
<td></td>
</tr>
<tr>
<td>Cost to continue (FY salary increase, 15-17 utilities, operating inflation and employee compensation increases)</td>
<td>$25.4 M</td>
<td>$53.1 M</td>
<td>$0</td>
</tr>
<tr>
<td>100% state; but did not include 15-17 employee compensation adjustments</td>
<td>State/student shares applied</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>4/4% salary increase</td>
<td></td>
<td>4/4% salary increase</td>
<td></td>
</tr>
<tr>
<td>Tuition Freeze</td>
<td>Embedded above</td>
<td>$2.8 M</td>
<td>$0</td>
</tr>
<tr>
<td>Freeze at all campuses</td>
<td></td>
<td>Freeze at two-year only</td>
<td>n/a</td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>$74.35 M</strong></td>
<td><strong>$105.7 M</strong></td>
<td><strong>$37.1 M</strong></td>
</tr>
<tr>
<td>Cost to Continue FY salary increase $5.9 M; 15-17 utilities $5.6 M; and employee compensation increases of 3/3% plus health insurance ($31.9 M state share)</td>
<td>n/a, addressed above</td>
<td>n/a, addressed above</td>
<td>($43.3) M</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3/3% salary increase</td>
<td></td>
</tr>
</tbody>
</table>
2. Removes BASE extraordinary repairs funding of $11 million (current 13-15 funding) from campus budgets and pools at System level for allocation by SBHE to “address infrastructure needs…based on master plan and space utilization studies. Does not fund increase of $6.4 M in Exec. Rec to bring all campuses to 20% of statewide formula.

3. Removes $2.4 M BASE and $6.0 M ONE-TIME funding in Exec. Rec. and instead provides ONE-TIME $3 million for campus security pool, to be allocated by SBHE for security needs “based on risk and security assessments.”

4. Cancels 13-15 biennium $5 million performance funding pool. Requires system governance line item to be reduced for any allocations made before 6/30/15 from performance funding pool.

5. Cancels 13-15 biennium $750,000 appropriation for Bismarck family practice center skywalk, and re-directs $200,000 to “a grant for the development of elementary and secondary civics education.”

6. Provides $50,000 contingent appropriation to the SBHE for the unified workforce vocational and technical education program system. Available “only is the SBHE certifies to OMB that a unified workforce, vocational and technical program system has been established.”

7. Authorizes $1.2 million (6 FTE) to State Auditor’s Office (SAO) to “employ an audit manager to perform all audit related functions of the SBHE, including examination and evaluation of the adequacy and effectiveness of the board’s governance, risk management, internal controls, and performance of constitutional and statutorily required duties” and “shall conduct audits as determined appropriate by the state auditor, following consultation with the Board.” “This section does not require the state auditor to perform any duties that would compromise the auditor’s independence under government auditing standards.” Also, provides the SAO may hire consultants, subject to legislative audit and fiscal review committee, to assist with audits, the cost of which should be paid by the SBHE. (Note: Also, reduces NDUS Office funding for audit by $771,964 and campus budgets by $431,627 for audit campus assessments). Bill specifies “the new positions are to be filled based on a competitive hiring process.”

8. Authorizes $1.6 M (6 FTE) in Attorney General’s Office for” providing legal services to SBHE and institutions/entities”. Amends NDCC 54-12-08 to prohibit the SBHE from employing own legal counsel. Bill specifies “the new positions are to be filled based on a competitive hiring process.” (Note: Also, reduces NDUS Office funding for legal by $2,558,140)

9. Removes all capital projects in 15-17 executive recommendation totaling $44.8 million funded from other fund sources (e.g. auxiliary revenues, revenue bonds, private funds, etc.)

10. Removes $73.7 million in state general fund capital projects in 15-17 executive recommendation, leaving only $62 million completion of UND SOMHS project.

11. Provides $4.3 M ONE-TIME funding to payoff special assessments, same as Exec. Rec.

12. Provides $5 M ONE-TIME funding in a pool for deferred maintenance, to be distributed by the SBHE.

13. Provides $18.5 M ONE-TIME funding for SOMHS healthcare workforce initiative, same as Exec. Rec.

14. Removes $5 M ONE-TIME funding for NDSCS Fargo expansion.

15. Funded CTS projects, as follows:
   a. Expanded IT security - $152,900 BASE & $1.35 M ONE-TIME
   b. Centralized document imaging system - $915,400 BASE & $270,000 ONE-TIME
   c. Identity Management System - $1.020 M ONE-TIME
   d. PAR & Starfish/Hobson - $1,910,000 BASE & $181,500 ONE-TIME
II. Other Changes

1. Amends law requiring legislative approval (legislature or Budget Section) for all capital projects costing more than $385,000, regardless of funding source (currently, authorization only required if funded from state general funds or private gifts, grants or donations). Also, expands section to require legislative approval for “purchase or receipt” of any building costing more than $385,000.

2. Requires all future individual capital project budget requests exceeding $5 million in cost, to include a request for a maintenance fund equivalent to 3%.

3. Requires e-mail, file server administration, database administration, storage, application server, and hosting services to be “through a delivery system established by the SBHE.” Further, “the board shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with considering given to the creation of efficiencies, cost-savings, and improved quality of service.”

4. Permits computer system audits which “may cause or perpetuate vulnerability of a computer system or related security system” to be exempt from open records.

5. Requires the NDUS to submit its budget request in the same level of detail as other state agencies (i.e. by line item—salaries, operating, equipment, capital—and within line item—travel, printing, professional dues, IT, etc.; may also require detailed pay plans by position)

6. Requires SBHE conduct “comprehensive performance evaluation” of any president, vice president or vice chancellor who has served in their respective capacity for three years as of 7/1/2015, with such reviews deemed an open record.

7. During 15-17 biennium, requires SBHE to evaluate and develop policies and procedures to correct the following inconsistencies:
   a. Lack of integration of personal and demographic information among computer systems
   b. Lack of use of standard chart of accounts for financial reporting and standard department budget table deduction and tax override flags
   c. Absence of standard business processes for recording mandatory fees and for changing payroll funding source information
   d. Inconsistent methods and procedures at institutions for recording high school completions, identifying student cohorts for reporting purposes, and classifying agency funds
   e. Inconsistent practices and policies at institutions for awarding tuition waivers, admitting students, using purchasing card, charging tuition and fees, and accruing faculty sick leave
   f. Inconsistent coding and naming for bad debt expenses and journal entries
   g. Use of shadow accounting systems for reporting purposes; and,
   h. Inconsistent definitions for distance education student, a resident student for tuition purposes, and a full-time student for federal tax purposes.

8. Fixes FTE employee count by institution/entity, thereby setting an FTE position limit for the biennium. Any positions added beyond the limit would require legislative Budget Section approval.

9. Amends State Grant program to increase award limit from $800 to $975 per semester and would permit year-around awards, including summer term. Further, would prohibit awards to out-of-state students who have established ND residency.

10. Amends Scholar’s Program to permit year-around awards, including summer term

11. Requires SBHE to establish a unified system to offer workforce training, vocational education and technical education and including:
   a. SBHE periodically review programs offered and revise based on WF needs
   b. develop administrative arrangements that make possible efficient use of facilities and staff
   c. eliminate duplicative administrative positions
d. establish WF education advisory council, to advise SBHE. Council composed of representative from: CTE, Job Service, Dept of Commerce, and eight members from business and industry, with the eight members appointed by the chair of legislative management.

12. Requires SBHE provide annual report on AC/CTE scholarship recipients, including demographic information on the recipients.

13. Amends NDCC 15-10-17 to shift tuition setting authority from the SBHE to the legislature, and permit SBHE to “charge fees subject to any statutory limitations or requirements.” (HB1303)

14. Requires SBHE report to the appropriation committee on uses of permanent fund income received by some institutions.

15. Requires WSC to report on use and need for continuation of $2.5 M BASE funding for “extraordinary campus needs”

16. Requires consideration of interim legislative study of delivery methods of higher education courses offered by NDUS. Study must include “a review of current methods of distance education offerings, options to improve delivery methods, revenue generated by each type of delivery method, and how course delivery methods may affect future campus infrastructure needs.”

17. Requires interim legislative study of the “missions of all two-year institutions and the missions of any other institutions, including feasibility and desirability of the institutions offering only workforce and career and technical education programs.” “The study must review the current mission of the institution, current and projected course and program enrollments, projected workforce needs including how the institutions can serve the needs, and the options to increase institution operating efficiencies.”

18. Requires UND and NDSU to each pay $375,000 to State Fleet for “costs associated with previous use by the institution of state fleet services motor coaches.”

Mr. Murray Sagsveen explained that House Bill 1003 is an appropriations bill; however, it affects priority issues within policies and governance, such as:

- Governance
- Legislative Studies
- Students
- Foundations
- Operational issues
- Open Records and Meetings

Each of the Presidents and Executive Dean provided information about the impact the budget changes would have on the campus operations and students.

Vice Chair Neset announced the remaining agenda items will be tabled due to the lateness of the day and to allow adequate time for review and discussion of the remaining items. She stated she will schedule a continuance of the February 29, 2015, meeting sometime next week.

The meeting recessed at 6:50 p.m. CDT.

The State Board of Higher Education reconvened, Tuesday, March 3, 2015, 10:00 a.m. CT, via conference call originating at Bismarck State College, Horizon Conference room, 1815 Schafer Street, Bismarck, ND 58501, for the purpose of continuing with the regularly scheduled meeting of February 26, 2015 which was not concluded on that day. The State Board of Higher Education completed items one through nine, on February 26, 2015. The agenda has not changed and the Board began with item ten.
McEwen moved, Melicher seconded, to approve supporting the following SBHE position on HB1003:

The State Board of Higher Education’s vision is to inspire our future while unleashing the potential of the North Dakota University System to lead the nation in educational attainment. Our unified strategic plan, coupled with a reasonable budget to accomplish it, will ensure we are able to provide the high-quality education our students deserve -- at the value our taxpayers expect.

We appreciate the House Appropriations Committee’s actions supporting increased funding for needs-based and merit-based student aid, campus security, special assessments payoffs and IT investments that increase security, enhance efficiency and promote student success. In order to accomplish our identified goals, we ask the Legislature to consider the following changes to Engrossed HB1003:
1. Support the higher education funding formula, which is included in the Executive Recommendation, so that it can work as designed to attract and retain students. The Board’s 2015-2020 strategic plan is based on the continuation of this formula to increase student achievement and graduation rates.

2. Use the inflation factor within the formula to fund compensation increases for NDUS employees and utility cost increases similar to other state entities.

3. At minimum, fund the following:
   a. Capital projects identified through the master plan process with high-priority Flood, Life/Safety issues and critical deferred maintenance needs, such as:
      i. Flood
         1. VCSU Fine Arts Bldg., including demolition of Foss and McCarthy $26M
      ii. Life/Safety
         2. VCSU Heating Plant Replacement $14M
         3. NDSU Dunbar Hall II, including demolition of Dunbar $46M
         4. DCB Nelson Science Center Renovation $ 1M
         5. UND Aircraft Parking Area Repair and Reconstruction $16M
      iii. Deferred Maintenance
         6. BSC Major Infrastructure Replacement $ 2M
         7. NDSCS Campus Water, Sewer Infrastructure Replacement $13M
         8. LRSC Switchgear, Electrical Service, and Window Replacement $ 2M
   b. Extraordinary repairs increase of $6.4 million so additional deferred maintenance issues can be minimized. Without this funding, our deferred maintenance issues will only worsen with the potential to negatively impact students and programs.
   c. Authorize $44.8 million in non-state-funded projects for completion in 15-17 biennium.

4. To best serve our students and their needs, we must ensure the Board retains responsibility for the following:
   a. Legal and internal audit services;
   b. Current budget practices;
   c. Authority over locally funded capital projects and employee approval;
   d. Oversight of workforce education, program offerings and technical training; and
   e. Authority to set tuition and fees, as has been done for most of the past 100 years.

Board members continued to discuss whether or not to include 4a, legal and internal audit services, in their statement of support for HB1003. Mr. McEwen read a statement from UND and NDSU:

“NDSU and UND Student Government feels strongly that student affordability is one of the greatest concerns facing students today. To help alleviate this concern, we ask that the SBHE include priorities relating to scholarship, grant and open educational resource funding increases in their legislative priorities. The funding for all three of these initiatives is contained within HB 1003. The funding for scholarships and open educational resources has seen a reduction when compared to Governor Dalrymple’s recommendations. NDSU and UND Student Government fully supports the Governor’s Executive Budget Recommendations and the levels of funding contained in it. We ask that you please consider adding legislative priorities relating to these three key initiatives. Thank you.”

Ms. Neset expressed concern that this is being seen by Board for the first time and recommended tabling 4a until the Board members could thoroughly look into it.

Melicher amended his motion, McEwen seconded, to include tabling 4a, legal and internal audit services, until the March 26, 2015, Board meeting.
Melicher, Morton, Reichert, McEwen, Shaft, Hjelmstad, and Neset voted yes. The motion carried.

Final Implementation of New Tuition Model
Ms. Glatt explained that the NDUS 2015-2020 Strategic Plan calls for implementation of a new tuition model by fall 2017. Due to the current legislation, there is uncertainty of whom will control tuition setting authority, and the timing of corresponding approval of new model rates, she proposed that the final deadline date for implementation be delayed until fall 2018. Campuses would still have the authority to begin implementation as soon as fall 2015, as desired, and to phase in implementation over a period of years, with the appropriate SBHE approvals.

McEwen moved, Morton seconded, to delay the deadline date for final implementation of new tuition model from fall 2017 to fall 2018. Further, campuses retain authority to begin implementation in fall 2015, as desired, following approval by SBHE of new tuition rates.

Dickinson (DSU) Presidential Search
Melicher moved, McEwen seconded, to delegate authority to Interim Chancellor Skogen to hire a consultant to assist with the search for the next President of DSU.

Reichert, McEwen, Shaft, Hjelmstad, Melicher, Morton, and Neset voted yes. The motion carried.

Board Chair Hjelmstad recommended that Ms. Reichert chair the DSU Presidential Search Committee.

Morton moved, Melicher seconded, to appoint Ms. Reichert as the Chair of the DSU Presidential Search Committee.

Shaft, Hjelmstad, Melicher, Morton, Reichert, McEwen, and Neset voted yes. The motion carried.

Wilkerson Hall Name Change
Morton moved, McEwen seconded, to authorize the President of University of North Dakota to change the name of Wilkerson Hall to “Wilkerson Commons.”

Melicher, Morton, Reichert, McEwen, Shaft, Hjelmstad, and Neset voted yes. The motion carried.

DSU to Issue Revenue Bonds for Purchase of Three Student Apartments owned by the DSU Foundation
Mr. Sagsveen explained that the Dickinson State University Foundation (DSUF) has encountered financial challenges, which prompted Interim Chancellor Skogen to request Attorney General Stenehjem to seek court appointment of a Receiver. Attorney General Stenehjem promptly responded, and the state district court appointed Sean Smith as the Receiver through June 30, 2015. He further explained that DSU’s purchase of the three student apartments owned by the DSU Foundation has been recommended by the Receiver as it will benefit that by authorizing DSU Foundation

McEwen moved, Melicher seconded, to approve the following:

a. Authorize Chancellor Skogen to seek an amendment to House Bill 1139 or House Bill 1003 to authorize Dickinson State University to issue revenue bonds to acquire three properties for student housing (i.e., Bosch Apartments, Altringer Apartment Building, and Miller Apartment Building);

b. If House Bill 1139 or House Bill 1003 is appropriately amended and enacted, to authorize DSU to acquire the three properties for student housing; and
c. Authorize the Chancellor to take any other appropriate action to facilitate the acquisition of the three properties by DSU.

Reichert, McEwen, Shaft, Hjelmstad, Melicher, Morton, and Neset voted yes. The motion carried.

**SBHE Academic and Student Affairs Committee**

SBHE Academic and Student Affairs Committee Chair, Ms. Reichert, stated the committee recommends approval of the following:

**Stage II – New Programs**

- North Dakota State College of Science’s request for a new program: Certificate in Dialysis Technician, (CIP Code 51.1011), effective fall 2015.
- Valley City State University’s request for a new program: B.A. and B.S. in Environmental Science, (CIP Code 03.0104), effective fall 2015.

**Stage II – Organizational Change**

- University of North Dakota’s request for an organizational change: From Department of Geography to Department of Geography and Geographic Information Science, effective fall 2015.
- Valley City State University’s request for an organizational change to establish a new center: Don Mugan Career and Technical Education Leadership Center (DMCTELC), effective summer 2015.

McEwen moved, Neset seconded, to approve SBHE Academic and Student Affairs Committee recommendations.

Shaft, Hjelmstad, Melicher, Reichert, McEwen, Morton, and Neset voted yes. The motion carried.

**SBHE Budget and Finance Committee**

SBHE Budget and Finance Committee Chair, Mr. Morton, stated the committee recommends approval of the following:

- NDSU Dickinson Research Center (DREC) seeks approval to proceed with sale of 30 acres of land or a portion of the December 2014 SBHE previously approved sale of total 240 acres. Additional authorization is now required as specific information regarding sale value of the 30 acres is now available. Legislation is pending to approve the transaction.

Melicher moved, Reichert seconded, to approve the SBHE Budget and Finance Committee’s recommendations.

Melicher, Reichert, McEwen, Shaft, Hjelmstad, Morton, and Neset voted yes. The motion carried.

**Other Consent**

Ms. Glatt presented the following items for Board approval:

- Authorize NDSU to proceed with the low rise lavatories renovation project in Reed Hall (one stack), Phase IV at an estimated cost of $1,400,000 to be funded from auxiliary local funds.
- Authorize NDSU to proceed with the demolition of Thordarson Hall and Expansion of T Lot at an estimated cost of $540,000 to be funded from appropriated operating funds ($265,000) and parking local funds ($275,000). Authorize the transfer of $265,000 from the 2013-15 operations to capital assets line as per SB2003 (2013), section 35.
• Authorize NDSU to proceed with the expansion of MU Lot at an estimated cost of $600,000 to be funded from parking local funds.

McEwen moved, Reichert seconded, to approve the three North Dakota State University projects, listed above.

McEwen, Melicher, Reichert, Shaft, Hjelmstad, Morton, and Neset voted yes. The motion carried.

**Board Policy**

Mr. Murray Sagsveen explained that the [SBHE Policy 903](#) is currently not involved in the sale, removal, alteration, or demolition of a building that may have historical significance. The proposed amendment to Policy 903 would provide an opportunity for the SBHE to participate in the process if it chooses to do so.

Shaft moved, Neset seconded, to approve the second reading and adopt SBHE Policy 903.

Reichert, Shaft, Hjelmstad, McEwen, Melicher, Morton, and Neset voted yes. The motion carried.

Hjelmstad motioned to adjourn.

Adjourned at 2:50 p.m. CDT.

Approved on April 30, 2015 by the State Board of Higher Education.