Present: Lieutenant Governor Drew Wrigley, Representative Bob Martinson, Rick Burgum, Senator Joan Heckaman, Kathleen Neset, Terry Hjelmstad, Senator Karen Krebsbach, and Connie Nicholas.

Lt. Gov. Drew Wrigley called the meeting to order at 3:07 p.m.

The Lt. Gov. asked grant review committee members, presidents, and foundation directors if there were any questions about or objections to the meeting minutes from May 27, 2015. Sen. Karen Krebsbach moved to approve the meeting minutes, Rick Burgum seconded.

Lt. Gov. wanted to make sure that the minutes reflected that current committee members can serve on the grant review committee again if they wish to. The appointments simply need to be made again, or for the first time in some cases, by the appropriate bodies. He did not feel this was represented properly on page four of the minutes from the past meeting. Ashley Portra indicated that that would be updated.

Motion carried.

Committee Business

Dickinson State University Receivership

Murray Sagsveen, North Dakota University System (NDUS) Chief of Staff and Ethics Officer, presented a memorandum he had sent the Lt. Gov. earlier in the week regarding allocations to the Dickinson State University (DSU) Foundation. The memo concludes that the committee may choose to carry money over into the next biennium. The State Board of Higher Education (SBHE) has the authority to carry appropriated dollars over into the next biennium. Because of this fact, if the committee so chooses, any dollars that were approved by the committee for DSU may be carried over into the next biennium, to then be awarded at a later time when the committee is satisfied with the financial state of the DSU Foundation.

Rep. Bob Martinson moved to allow for SBHE to carry those funds that had previously been approved by the committee for DSU over into the next biennium and that the ability to award those funds would be left up to the discretion of the grant review committee. Burgum seconded.

The Lt. Gov. reiterated that the committee has already been satisfied with the projects DSU has applied for and that they just want the money to be held until they can be sure those dollars are safe from creditors.

Rep. Martinson wants to be sure that the committee gets the final say before NDSU releases the funds to DSU.

Burgum asked if any dollars have been previously disbursed to DSU. Laura Anne Schratt, NDUS Special Projects Assistant – Administrative Affairs, confirmed that no dollars have been released to DSU.

Kathy Neset agreed with Rep. Martinson in that the grant review committee should have the final say regarding if and when the funds should be dispersed to DSU because this keeps the control with the
committee and since the committee is ultimately who is held responsible for such decisions, it only makes sense. Burgum added that the committee has more skin in the game.

The Lt. Gov. said that the committee is being advised by the right parties.

Rep. Martinson’s motion carried.

**Preliminary Review of updated Rules of Operation and Procedures**

The Lt. Gov. said that the committee would not be reviewing the Rules of Operation and Procedures at this time because he wanted them to see the document tracking the changes that had been made. He stated that Portra would send out the proposed new Rules of Operation and Procedures with those tracked changes for the committee’s review soon.

Burgum had two items regarding the Rules of Operation and Procedures that he wanted the committee to discuss. First, he wanted to further discuss the extra $500,000 available to all colleges and universities (excluding the University of North Dakota (UND) and North Dakota State University (NDSU)) and when that would in fact be available in the next biennium. Burgum doesn’t think the legislation was clear enough on that subject. He’s afraid that these extra dollars will incite too much competition between the schools.

The Lt. Gov. asked if the solution to that issue would be to set a date for when that money can be accessed. He said that that concern is something the committee could address at the July meeting.

Burgum then added that he feels the committee needs to better establish the difference between capital construction and educational infrastructure in the Rules of Operation and Procedures.

Rep. Martinson stated that the committee should probably limit the use of the word “infrastructure” moving forward.

Portra pointed out that the term “educational infrastructure” is included as a category for which colleges and universities may apply for funding in the legislation for the 2015-2017 biennium.

The Lt. Gov. said the committee needs to more narrowly define “educational infrastructure.” He added that the committee must be able to articulate it.

**UND Student Academic and Engagement Center**

Laura Block, UND Alumni Association and Foundation CFO, stated that during the current biennium, UND mistakenly submitted two applications for the Student Academic and Engagement Center. They were both approved. The first match amount UND was approved for was $1.5 million and the second amount was for $29,578.54. The legislative assembly authorized that building to receive only $1.5 million in Challenge Fund match grants. Block’s proposed solution is to resubmit the second application for $29,578.54 for the Student Academic and Engagement Center Endowment. The match dollars would then support programming, scholarships, mentorship opportunities, etc.

DeAnna Carlson Zink, UND Alumni Association and Foundation CEO, added that she required UND to come back to the committee in hopes of remaining transparent. The endowment would be used for programs within the building rather than going directly to the building construction.

As long as the name of the application has been changed, Rep. Martinson stated that he is good with the change.
Sen. Joan Heckaman noted that the description on the application form is not very clear. She noticed that there was in fact a new building mentioned.

The Lt. Gov. made note that the original application was approved during the current biennium which allowed for capital construction.

Connie Nicholas moved to approve the edited application. Burgum seconded. Motion carried.

**Future Meeting Dates**
The Lt. Gov. asked the committee to take note of future meeting dates, times, and locations.

**Good of the Order**
Terry Olson, Executive Director of the Williston State College (WSC) Foundation, stated that in the 2013-2015 biennium, WSC had received a $75,000 match grant for the Science Addition and the school would now like to use those dollars to support adjunct faculty and an outdoor classroom.

Rep. Martinson said that he would not vote to approve either of those proposals. He doesn’t believe that the purpose of the committee is to support adjunct faculty.

The Lt. Gov. asked if there was a requirement in the statute or the Rules of Operation and Procedures for the committee to only grant match dollars to fulfill endowed faculty positions. Rep. Martinson said that the committee is not here to pay for faculty at all, not even full-time faculty members.

The Lt. Gov. expressed his concern that approving something like this would become just another budget item rather than being a fundamental building block for the school. He said that it was creative, though.

Sen. Heckaman stated that she was leery about approving money for an adjunct faculty member.

Olson said that he was getting the sense that the adjunct faculty member support was not a good enough proposal. He asked for the committee’s thoughts or feelings on his proposal for an outdoor classroom space.

The Lt. Gov. asked Olson what the space would be used for.

Olson stated the school would like to add an enclosed gazebo with benches to display Lewis and Clark memorabilia.

The Lt. Gov. said that this proposal is clearly contrary to the legislature’s decision to no longer support capital construction.

Olson replied that this proposal is for money that has already been awarded and received by WSC for the Science Addition. He continued that the match amount of $75,000 is just sitting at WSC. The Science Center has already been paid for.

The Lt. Gov. asked if the money was really just sitting there. He also asked if the grant money was not needed and what the committee actually approved those dollars to go toward.

Olson answered that the match grant dollars were approved to go to the construction of the new Science Wing.
The Lt. Gov. asked if the private fundraising had exceeded Olson’s expectations. He asked why Olson didn’t just put the $75,000 match funding toward the dollar amount he was still trying to raise. The Lt. Gov. said that it sounded to him like Olson was trying to add another component to the addition by trying to add this outdoor space.

Olson said that with regard to fundraising, he still has four science laboratories in the new Science Addition with naming opportunities available and he was hoping to keep the dollar amounts for each the same amount for the families wishing to make the donation, rather than putting the $75,000 match toward them. Olson said that he would report back to the school with the feedback the grant review committee had given him.

The Lt. Gov. said that he appreciated Olson’s complete transparency.

The Lt. Gov. said that he would like to update the committee on the status of its members. He said that no one had indicated to him or to Portra that they did not want to serve on the committee any longer, aside from Rep. Mark Dosch, who had not given a preference whether or not he wanted to continue serving. The Lt. Gov. said that he was aware of another representative who would like to serve and that Portra would be working through the proper channels to find a replacement and to get the other returning committee members reappointed. He added that Nicholas Hacker would be taking over for Terry Hjelmstad as the SBHE appointed representative. The Lt. Gov. thanked the committee members for their service and said that he appreciated everyone’s willingness to serve.

Meeting adjourned at 3:55 p.m.