North Dakota State Board of Higher Education
Minutes of the June 24, 2015, Meeting
at Microsoft Corporation, Fargo.

Board Chair Hjelmstad called the meeting to order at 8:35 a.m. CDT.

Members present:

Dr. Terry Hjelmstad, Chair
Dr. Kevin Melicher
Mr. Chris McEwen
Mr. Don Morton
Dr. Eric Murphy, Faculty Adviser

Ms. Kathleen Neset, Vice Chair
Mr. Grant Shaft
Mr. Mike Ness
Ms. Janice Hoffarth, Staff Adviser

Interim Chancellor present: Dr. Larry C. Skogen
Incoming Chancellor present: Dr. Mark Hagerott

Institution Presidents present:

Dr. Gary Hagen, President, MaSU
Dr. Cynthia Pemberton, DSU
Dr. Lloyd Halvorson, LRSC
Dr. Keith Grosz, Dean, DCB
Dr. John Richman, President, NDSCS
Dr. Steve Shirley, President, MISU
Dr. Ray Nadolny, President, WSC
Dr. Tisa Mason, President, VCSU
Dr. Dean Bresciani, President, NDSU
Dr. Robert Kelley, President, UND
Mr. Dave Clark, Interim President, BSC

NDUS senior staff present:

Mr. Murray Sagsveen, Chief of Staff and Director of Legal Services
Dr. Richard Rothaus, Director of Academics, Research, and Accreditation
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. Billie Jo Lorius, Director of Communications
Mr. Chris Erickson, Communication Specialist
Ms. Cynthia Wagner Goulet, NDUS General Counsel – Bismarck
Ms. Rebecca Wimer, Executive Assistant to the Chancellor
Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

1. Approval of Agenda
Moved by McEwen, seconded by Ness, to approve the agenda.

Shaft, Ness, McEwen, Melicher, Morton, Hjelmstad, and Neset voted yes.
2. **Approval of April 14 and May 14, 2015, Meeting Minutes**
Moved by Melicher, seconded by Ness, to approve April 14 and May 14, 2015, meeting minutes. Shaft, Hjelmstad, Ness, McEwen, Melicher, Morton, and Neset voted yes.

3. **SBHE Committee Appointments**
Chair Hjelmstad appointed Board members to SBHE committees:

   **ACADEMIC & STUDENT AFFAIRS COMMITTEE**
   - Ms. Kari Reichert (Chair)
   - Mr. Mike Ness
   - Dr. Eric Murphy
   - Mr. Brett Johnson

   **AUDIT COMMITTEE**
   - Ms. Kathleen Neset (Chair)
   - Mr. Greg Stemen
   - Dr. Kevin Melicher

   **BUDGET/FINANCE COMMITTEE**
   - Chair Hjelmstad
   - Ms. Kathleen Neset
   - Mr. Don Morton (Chair)
   - Ms. Emma Tufte
   - Mr. Greg Stemen
   - Dr. Kevin Melicher

   **CENTERS OF EXCELLENCE COMMITTEE**
   - Ms. Kathleen Neset
   - Mr. Nick Hacker
   - Mr. Mike Ness
   - Mr. Greg Stemen

   **CHALLENGE GRANT REVIEW COMMITTEE**
   - Ms. Kathleen Neset
   - Mr. Nick Hacker

   **MHEC**
   - Ms. Kari Reichert (commissioner)

   **NDUS FOUNDATION COMMITTEE**
   - Ms. Kathleen Neset
   - Mr. Don Morton

   **WICHE**
   - Ms. Kari Reichert (commissioner)

   **ACCT**
   - Mr. Nick Hacker

4. **Challenge Fund Members**
Moved by Morton, seconded by McEwen, to reappoint Kathleen Neset and appoint Nick Hacker to the Grant Review Committee for one-year terms, effective July 1, 2015.

   Shaft, Hjelmstad, Ness, McEwen, Melicher, Morton, and Neset voted yes.

5. **Center of Excellence Members**
Moved by Ness, seconded by McEwen to appoint Mike Ness for a three-year term (2015-2018) and Greg Stemen to the remainder of Kathleen Neset’s term (2013-2016) to the Centers of Excellence Commission effective July 1, 2015.

   Shaft, Hjelmstad, Ness, McEwen, Melicher, Morton, and Neset voted yes.

5. **NDSU Safety phone application**
Director of NDSU’s policy and safety office, Mr. Borr, presented a new safety phone application the campus has implemented.
6. **Presidential Contract Terms**  
Moved by Melicher, seconded by McEwen, to approve presidential contract terms and a salary increase of three percent.

Shaft, Hjelmstad, Ness, McEwen, Melicher, Morton, and Neset voted yes.

7. **Review Final 2015 Legislative Action**  
Mr. Sagsveen reviewed key policy legislation adopted by the 64th Legislative Assembly as summarized:
   a) Legislative Directives to the SBHE  
   b) Required Reports  
   c) Legislative Mandated Studies  
   d) NDUS Office Operations  
   e) Attorneys  
   f) External and Internal Auditors  
   g) Students  
   h) Amendments to North Dakota Century Code  
   i) Contingent Appropriations

8. **Appoint NDUS Representatives to the Retirement Oversight Committee**  
Moved by Melicher, seconded by McEwen, to approve:
   a) Appointment of Misti Wuori, MaSU Director of Admissions and Extended Learning until June 30, 2017 (replace Brittneed Steckler, NDSU) and Katie Douhit, UND Retirement Specialist until June 30, 2016 (replace Melissa Friday, NDSCS) as the two staff representatives to the committee;  
   b) Remove the separate retirement plan coordinator position;  
   c) Further delegate to the Chancellor the authority to appoint future replacement members consistent with the membership outlined in the Investment Policy Statement.

9. **Approve Updated 2015 Meeting Calendar**  
Moved by Ness, seconded by McEwen, to approve the updated 2015 meeting calendar. Shaft, Hjelmstad, Reichert, Ness, McEwen, Melicher, Morton, and Neset voted yes.

10 and 11. **UND Presidential Search**  
Moved by Morton, seconded by Melicher, to approve:
   a) Authorize Dr. Mark Hagerott to hire a consultant to assist with the search for the next president of the University of North Dakota, effective July 1, 2015;  
   b) Appoint Mr. Nick Hacker to the search committee for the next president of the University of North Dakota.

Shaft, Hjelmstad, Reichert, Ness, McEwen, Melicher, Morton, and Neset voted yes.

12. **Update on IT Security**  
Brad Miller and Darrin King informed Board members on what some future projects that CTS will be working on:
   • Organizational  
     o Develop Strategic Security Plan  
     o Develop Additional Capacity  
   • Procedure/Process
Continue to Update/Create Information Security Policy, Procedures and Standards

Technology
- Log Management (Incident Monitoring)
- Additional Vulnerability Management capabilities
- Endpoint Security

SBHE Budget and Finance Committee Consent
Moved by Morton, seconded by Shaft, to approve SBHE Budget and Finance Committee consent items a – l.

a) Review and Recommend Approval of the FY16 Annual Budget for the NDUS Office

b) Review and Recommend Approval of FY16 Salary Ranges and Salary Increases for Presidents and Vice Chancellors

c) Review and Recommend Approval of FY16 SBHE Budget of up to $100,000

d) Review and Recommend Approval to ratify Chancellor’s approval for MaSU to increase the project authorization for the Lewy Lee Fieldhouse Partial Renovation project from the original estimated cost of $429,000 to $601,658, an increase of $172,658, to be funded from the one time deferred maintenance allocation of $500,000 for MaSU as authorized in Section 25 of HB1003 (2015); furthermore, authorize the transfer of $172,658 from 2015-17 North Dakota University System Office deferred maintenance pool to Mayville State University’s capital assets line item per HB1003 (2015), Section 25.

e) Review and Recommend Approval to Authorize from $2,408,905 to $2,485,703 for the MISU Facilities Management (Physical Plant) Building project, to be funded from the SBHE capital project contingency fund; and, further authorize transfer of $76,798 from the SBHE 13-15 capital project contingency fund to MISU.

f) Review and Recommend Approval of Allocation of $325,000 of 15-17 Veteran’s Assistance Funding to NDSU for support of the Veteran’s Educational Training Program

g) Review and Recommend Approval to Authorize NDSU to proceed with the Ceres Hall Tuck-pointing and Exterior Renovations project at an estimated cost of $1,300,000 to be funded from the $3.5 million one time 15-17 deferred maintenance funding; furthermore, authorize the transfer of $1,300,000 from 2015-17 North Dakota University System Office deferred maintenance pool to NDSU’s capital assets line item per HB1003 (2015), Section 25.

h) Review and Recommend Approval to Ratify the Chancellor’s interim approval to authorize NDSU Langdon Research Extension Center (LREC) to purchase 160 acres of land in Cavalier County for a sum not to exceed $350,000, $175,000 from the general fund and $175,000 from special funds.

i) Review and Recommend Approval to Authorize NDSU to proceed with the Music Building Tuck-pointing and Exterior Renovations project at an estimated cost of $825,000 to be funded from the $3.5 million one time 15-17 deferred maintenance funding; furthermore, authorize the transfer of $825,000 from 2015-17 North Dakota University System Office deferred maintenance pool to NDSU’s capital assets line item per HB1003 (2015), Section 25.

j) Review and Recommend Approval to: 1) Authorize issuance of not to exceed $41,000,000 University of North Dakota Housing and Auxiliary Facilities System Revenue Refunding Bonds, Series 2015, for the purpose of advance refunding the University of North Dakota Housing and Auxiliary Facilities System Revenue Bonds, Series 2006; 2) Authorize the UND President and Vice President for Finance and Operations to approve the sale of the bonds provided the true interest rate not
exceed 4% provided the present value of the debt service savings is not less than 2%. The approximate final date upon which the principal amount of the obligation will mature or become payable is April 1, 2035; and 3) Appoint the firm of Amtson Stewart Wagner PC as the bond counsel and Public Financial Management, Inc. as the financial advisor.

k) Review and Recommend Approval of the transfer of $5,267,850 from the operations line of UND to the operations line of SMHS, as provided in HB1003 (Section 30), for the 2015-17 biennium.

l) Review and Recommend Approval to Ratify the Chancellor's interim action authorizing WSC to increase spending for the Workforce Training project from $8,238,267 to $9,438,267, an increase of $1,200,000 to be funded from $1,300,000 general fund, $2,500,000 financed through the Bank of North Dakota, $1,750,000 received as an oil impact grant from the Department of Trust Lands, $2,207,000 in private fundraising, $393,000 in approved state 13-15 Challenge funds, and $1,288,267 in local funds generated from training activities and to proceed with the project contingent upon receipt or guarantee of all funds. Authorize WSC to seek budget section authorization per NDCC 48-01.2-25.

Shaft, Hjelmstad, Reichert, Ness, McEwen, Melicher, Morton, and Neset voted yes.

**Budget and Finance Consent (other)**

Moved by McEwen, seconded by Shaft, to approve SBHE Budget and Finance Committee consent items a – e.

a) Ratify the Chancellor’s interim approval authorizing NDSU Central Grasslands Research Extension Center (C GREC) to increase the project authorization for the Agronomy Lab from $400,000 to $550,000, $150,000 to be funded by special funds – institutional collections

b) Ratify the Chancellor's approval for NDSU to increase the project authorization for the Library Entryway/Circulation/Deferred Maintenance Renovation project from the original estimated cost of $1,400,000 to $1,725,000, an increase of $325,000, to be funded from 2013-15 appropriated operations funding; furthermore, authorize the transfer of $325,000 from 2013-15 operations to capital assets line item per SB2003 (2013), Section 35.

c) Authorize WSC to proceed with the TrainND Storage Building project at an estimated cost of $484,977 to be funded from WSC TrainND local funds.

d) Approve the transfer of $1,265 from the 13-15 NDUS capital contingency fund (SB2003, Section 24) to Dakota College Bottineau (DCB) capital assets line item.

e) Approve Campus Requests for Line-item Transfers from Operations to Capital Assets.

Shaft, Hjelmstad, Reichert, Ness, McEwen, Melicher, Morton, and Neset voted yes.

**SBHE Academic and Student Affairs Committee Consent**

Moved by McEwen, seconded by Melicher, to approve SBHE Academic and Student Affairs Committee consent items as listed:

Stage II -- New Programs:
- Dickinson State University's request for a new program via distance education: Bachelors in Exercise Science Minor, (CIP Code 31.0505), effective fall 2015.
North Dakota State University’s request for a new program via traditional and distance education: B.S. in Global Business, (CIP Code 52.11), effective spring 2015.

University of North Dakota’s request for a new program: Ph.D. in Civil Engineering, (CIP Code 14.0801), effective fall 2015;

University of North Dakota’s request for a new program: Ph.D. in Electrical Engineering, (CIP Code 14.1001), effective fall 2015;

University of North Dakota’s request for a new program: Ph.D. in Energy Engineering, (CIP Code 14.9999), effective fall 2015;

University of North Dakota’s request for a new program: Ph.D. in Environmental Engineering, (CIP Code 14.1401), effective fall 2015;

University of North Dakota’s request for a new program: Ph.D. in Geological Engineering, (CIP Code 14.3901), effective fall 2015; and,

University of North Dakota’s request for a new program: Ph.D. in Mechanical Engineering, (CIP Code 14.1901), effective fall 2015.

Stage II -- Organizational Change:

University of North Dakota’s request for an organizational change: from Department of Economics to Department of Economics and Finance, effective fall 2015; and

University of North Dakota’s request for a Department termination: Department of Finance, effective fall 2015.

2015 State Authorization Renewal to Operate:

Central Michigan Renewal to Operate in 2015;

Embry-Riddle Renewal to Operate in 2015;

Park University Renewal to Operate in 2015; and,

Rasmussen College Renewal to Operate in 2015.

Shaft, Hjelmstad, Reichert, Ness, McEwen, Melicher, Morton, and Neset voted yes.

Board Policy

Moved by McEwen, seconded by Melicher, to approve 1st reading of policy HR policy 8, related to Worker’s Compensation.

Shaft, Hjelmstad, Reichert, Ness, McEwen, Melicher, Morton, and Neset voted yes.

Moved by Morton, seconded by Melicher, to approve 1st reading of policy 514, related to due process requirements.

Shaft, Hjelmstad, Reichert, Ness, McEwen, Melicher, Morton, and Neset voted yes.

Moved by Melicher, seconded by Ness, to approve 2nd reading of policies 803.1, related to purchasing and 602.3, related to criminal background checks.

Future Board Meeting: September 3, 2015 at Williston State University

Morton moved to adjourn at 11:50 a.m. CDT.

Approved at the September 3, 2015 Board meeting.