Chair Neset called the meeting to order at 8:30 a.m. CT and welcomed incoming UND Interim President, Mr. Ed Schafer.

Members present:
- Ms. Kathleen Neset, Chair
- Mr. Greg Stemen
- Dr. Kevin Melicher
- Mr. Mike Ness
- Dr. Eric Murphy, Faculty Adviser
- Mr. Don Morton, Vice Chair
- Mr. Brett Johnson
- Mr. Nick Hacker (entered 8:45)
- Ms. Emma Tufte, Staff Adviser
- Dr. Kevin Melicher

Chancellor present: Dr. Mark Hagerott

Institution Presidents present:
- Dr. Gary Hagen, President, MaSU
- Dr. Doug Darling President, LRSC
- Dr. Jerry Migler, Dean, DCB
- Dr. Ray Nadolny, President, WSC
- Dr. Dean Bresciani, President, NDSU
- Dr. Robert Kelley, President, UND
- Dr. Larry C. Skogen, President, BSC
- Dr. Steve Shirley, President, MiSU
- Dr. Dean Bresciani, President, NDSU
- Dr. Tisa Mason, President, VCSU
- Dr. Jim Ozbun, Interim President, DSU

NDUS senior staff present:
- Dr. Lisa Feldner, Interim Chief of Staff
- Dr. Richard Rothaus, Interim Vice Chancellor for Academic and Student Affairs
- Ms. Linda Donlin, Vice Chancellor for Strategic Engagement
- Ms. Tammy Dolan, Chief Financial Officer
- Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

Others Present:
- Mr. Noah Brisbin, Attorney General’s office
- Mr. Nick Vaughn, Attorney General’s office

1. Agenda
   Ms. Neset amended the agenda by removing item 30, first reading of policy HR 13.

   Morton moved, Johnson seconded, to approve the agenda with amendment.

   Johnson, Stemen, Melicher, Ness, Morton, and Neset voted yes.
2. **Meeting Minutes**
   Johnson moved, Melicher seconded, to approve the following SBHE Minutes.
   - September 30, 2015
   - HLC Visit November 10, 2015
   - Special Board Meeting November 10, 2015

   Johnson, Stemen, Melicher, Ness, Morton, and Neset voted yes.

**Chancellor Report**
Chancellor Hagerott stated current policy gives him the authority to approve the President’s goals. He asked for Board input, indicating he is open to changing the current formation. The Board indicated they would like to be included earlier in the goal setting process and to see more clearly measurable metrics. Chancellor Hagerott suggested setting goals by tiers to allow the two, four, and research institutions to address their unique differences.

3. **UND Research**
   Dr. Grant McGimpsey presented on research, scholarship, creative activity and economic development at the University of North Dakota. The following are some examples of established research strengths:
   - Human Health/Rural Health/Biomedical
   - Aerospace/Aviation/UAS
   - Energy
   The following are some examples of emerging strengths/focus areas:
   - Cybersecurity
   - High Performance Computing
   - Big Data

4. **NDSU Research**
   Dr. Kelly Rusch presented on integration of research, education and outreach. An example is unmanned aerial vehicles (UAVs), precision agriculture, and big data:
   - All projects coordinated with the Northern Plains UAS Test Site
   - NDSU has great success using the Research ND program for funding this type of research
   - Extensive outreach to farmers/producers
   - 2014 activities: Carrington Research Extension Center
   - 2015 activities: Williston and Carrington RECs and Barnes, Kidder and McLean Counties.
   - 2016 activities: “Large-scale Unmanned Aircrafts for Crop Management.” This will be the first American use of large UAVs for agriculture.

5. **Chancellor’s Goals**
   Chancellor gave an overview of his goals for Board approval.

   Melicher moved, Ness seconded, to approve the Chancellor’s 2015/2016 goals.

   Johnson, Stemen, Hacker, Melicher, Ness, Morton, and Neset voted yes.
6. **NDUS Office Plan**

Chancellor Hagerott explained that House Bill 1003, Section 4, held back one million dollars for the purpose of allowing the Board and new Chancellor to develop and implement a plan to increase office and system-wide efficiencies. He has completed an extensive listening tour and he and his staff have been gathering information to develop the plan to prioritize needs. The one million dollars will allow us to expediently address the following prioritized issues before next session:

- Create a unified system
- Operate in a more efficient manner
- Help students to graduate faster and with less debt in programs that serve the workforce needs and economic development

Morton moved, Stemen seconded, to approve the NDUS office to pursue the one million dollars at the next Legislative Budget section meeting on December 16, 2015.

Hacker, Melicher, Johnson, Stemen, Ness, Morton, and Neset voted yes.

7. **SBHE Meeting Date**

Melicher moved, Morton seconded, to approve changing the January 28, 2016, SBHE meeting to February 3, 2016, to be held at NDSU.

Melicher, Ness, Johnson, Stemen, Hacker, Morton, and Neset voted yes.

**SBHE Budget, Finance, and Facilities Committee Consent**

8. Recommend authorization for BSC to proceed with the JSC Building HVAC Control Upgrade project at an estimated cost of $80,000 to be funded from the one time deferred maintenance allocation as authorized by the 64th Legislative Assembly (2015) in HB1003, Section 2. One-Time Funding – Effect on Base Budget – Report to Sixty-Fifth Legislative Assembly. Furthermore, authorize the transfer of $80,000 from 2015-17 North Dakota University System Office deferred maintenance pool to Bismarck State College’s capital assets line item per HB1003 (2015), Section 25.

9. Recommend authorization for UND to proceed with various renovation, code upgrade and deferred maintenance work on campus at an estimated cost of $1,350,000 to be funded from the one-time deferred maintenance allocation as authorized by the 64th Legislative Assembly (2015) in HB1003, Section 2. One-Time Funding – Effect on Base Budget – Report to Sixty-Fifth Legislative Assembly. Furthermore, authorize the transfer of $1,350,000 from 2015-17 North Dakota University System Office deferred maintenance pool to the University of North Dakota’s capital assets line item per HB1003 (2015), Section 25.

10. Recommend authorization for NDSU to proceed with the Katherine Kilbourne Burgum (KKB) Family Life Center Roof Replacement project at an estimated cost of $425,100 to be funded from the $3.5 million one-time 2015-17 deferred maintenance funding included in HB1003, Section 2. One-Time Funding – Effect on Base Budget – Report to Sixty-Fifth Legislative Assembly. Furthermore, authorize the transfer of $425,100 from 2015-17 North Dakota University System Office deferred maintenance pool to North Dakota State University’s capital assets line item per HB1003 (2015), Section 25.

11. Recommend authorization for NDSU to proceed with the Hultz Hall Roof and Cooling Tower Replacement project at an estimated cost of $179,300 to be funded from the $3.5 million one-time 2015-17 deferred maintenance funding included in HB1003, Section 2. One-Time Funding – Effect on Base Budget – Report to Sixty-Fifth Legislative Assembly. Furthermore, authorize the transfer of $179,300 from 2015-17 North Dakota University
11. System Office deferred maintenance pool to North Dakota State University's capital assets line item per HB1003 (2015), Section 25.

12. Recommend approval to authorize the North Dakota Forest Service to accept a gift of land from Howard and Rebecca Rude per N.D.C.C. 4-19-05.


14. Recommend approval for NDSU to submit a deficiency request to the Office of Management and Budget at their next meeting. The following were previous approvals by the Board regarding the Minard Hall collapse:
   (1) September 24, 2013 authorizing NDSU to carry a deficit fund balance until a state general fund deficiency appropriation is authorized; and
   (2) May 14, 2015 authorizing NDSU to settle the outstanding litigations;
   NDSU is hereby authorized to seek a deficiency appropriation from the North Dakota Legislature in the amount of $1,634,853.52.

Morton moved, Hacker seconded, to approve the SBHE Budget, Finance, and Facilities Committee recommendation to approve consent items 8 through 14.

Melicher, Ness, Johnson, Stemen, Hacker, Morton, and Neset voted yes.

**Other Budget, Finance, and Facilities Consent**

16. Ratify Chancellor’s interim authorization to rename the BSC Communications and Creative Arts Center to LEA Hall as per SBHE policy 902.12.

17. Authorize UND to proceed with the installation of fire protection systems and the completion of companion updates (upgrade wireless access points, data, cable TV, fire alarms; perform ADA upgrades; update lighting; and remodel resident housing director's apartment;) in Smith Hall, a residence hall facility, at an estimated cost of $2,225,000 to be funded from local funds.

18. Ratify Chancellor’s interim authorization to rename the NDSU Auxiliary Enterprise building to the University Police and Safety building as per SBHE policy 902.12.

19. Ratify Chancellor’s approval to increase project authorization for the partial upgrade of the NDSU Benton Bunker Fieldhouse Mechanical and Electrical systems from $755,000 to $1,110,000 – a difference of $355,000 to be funded from 2015-17 extra-ordinary repair funds.

20. Ratify Chancellor’s interim authorization for NDSU to proceed with the Loftsgard Hall Room 116 Renovation project at an estimated cost of $373,000 to be funded from the 2015-17 extra-ordinary repair funds and matching funds required as per HB1003, 64th legislative assembly, section 38.

21. Approve changing the name of the NDSCS Student Center to the “Hektner Student Center”.

Hacker moved, Stemen seconded, to approve the other budget, finance, and facilities consent items 16 through 21.

Stemen, Hacker, Melicher, Ness, Johnson, Morton, and Neset voted yes.

**SBHE Academic and Student Affairs Committee Consent**

Stage II-New Program:


Stage II-Program Termination:
Stage II-Organizational Change: (Requires Cabinet Review/SBHE Action)
25. North Dakota State University’s request for an organizational change: From Center for Disaster Studies and Emergency Management to Center for Emergency Management Education and Research, effective fall 2015.

Ness moved, Morton seconded, to approve the SBHE Academic and Student Affairs Committee recommendations to approve consent items 22 through 25.

Hacker, Melicher, Ness, Stemen, Johnson, Morton, and Neset voted yes.

26. Core Course Requirements
Ness moved, Melicher seconded, to approve a task force composed of SBHE members Mike Ness and Kari Reichert, a representative of DPI, a representative of CTE, a representative of NDCEL, a representative of UND, a representative of NDSU, and the Vice Chancellor of Academic Affairs to review the currently approved core course admission requirements. The task force will review the background and rationale for the current (and future) core requirements for UND and NDSU as well as best practices at other research universities. They will review options for future measurements for the impact, if any, on secondary school courses including CTE courses. The task force will present their findings to the full SBHE along with recommendations, if any. The task force work is to be completed by May 2016.

Melicher, Ness, Johnson, Stemen, Hacker, Morton, and Neset voted yes.

27. SBHE Audit Committee
Lisa Feldner gave an update on the hiring process for the NDUS Compliance Officer and the NDUS Director of Audit Services. She indicated the SBHE Audit Committee will be interviewing candidates in the near future and possibly move forward for full Board approval. Chair Neset stated how important the audit and compliance functions are and she is looking forward to filling these position as soon as possible.

Board Policy 1st Reading
Ness moved, Johnson seconded, to approve first readings following policies 28, 29, and 31 through 33:

28. 1st Reading, HR 2 – Appointments
29. 1st Reading, HR 5 – Pay Policy
30. 1st Reading, HR 13 – Employment of Relatives (removed)
31. 1st Reading, Policy 820 – Tuition Waivers/Tuition Assistance
32. 1st Reading, Policy 703.1 – early retirement
33. 1st Reading, Policy 402.11 – Test of High School Equivalency

Johnson, Stemen, Melicher, Ness, Hacker, Morton, and Neset voted yes.

Board Policy 2nd Reading
34. 2nd Reading, Policy 302.6 – State Grant
Morton moved, Ness seconded, to approve second reading and final adoption of Policy 302.6.
Johnson, Stemen, Melicher, Ness, Hacker, Morton, and Neset voted yes.

35. 2nd Reading, Policy 508.2 – North Dakota Academic and Career and Technical Education Scholarships.
    Stemen moved, Morton seconded, to approve second reading and final adoption of Policy 508.2.
    Melicher, Johnson, Stemen, Ness, Hacker, Morton, and Neset voted yes.

36. 2nd Reading, Policy 402.2 – Admission Policies - Beginning Freshman Applicants - Baccalaureate Programs – Richard Rothaus
    Hacker moved, Stemen seconded, to approve second reading and final adoption of Policy 402.2
    Melicher, Ness, Johnson, Stemen, Hacker, Morton, and Neset voted yes.

37. 2nd Reading, Policy 402.3 – Admission Policies - Home Educated and Other Special
    Hacker moved, Stemen seconded, to approve second reading and final adoption of Policy 402.3.
    Morton, Melicher, Ness, Johnson, Stemen, Hacker, and Neset voted yes.

Dickinson State University Property Acquisition
Mr. Noah Brisbin informed the committee members that the Altringer, Bosch, and Miller apartment complexes, the Blue Hawk Square complex, and the former foundation building are properties for which Sean Smith, the receiver, has proposed purchase agreements between the foundation and DSU. The agreements provide DSU the opportunity to get an appraisal on the properties involved. The purchase agreements contain clauses that allow DSU to withdraw from the agreement for any number of reasons. He stated that the agreements allow DSU, the NDUS office, and the Board to consider which real assets might be strategic acquisitions for DSU.

Public Comment
Chair Neset welcomed Senator Flakoll. Mr. Flakoll stated he appreciates the overall concept of conversations and transparency between the Board and legislators. Mr. Flakoll thanked President Kelley and Marcia Kelley for their many years of service.

Chair Neset presented UND President Kelley with a plaque and thanked him for his years of service.

Chair Neset adjourned the meeting at 12:00 p.m. CT.

Approved by the SBHE on February 3, 2016.