Foundation Trustees present:
Don Morton
Pam Kostelecky, by phone
Terry Hjelmstad, by phone
Jerry Effertz
Duaine Espegard, by phone
Kirsten Diederich, Vice President
Hamid Shirvani (ex officio), by phone
Laura Glatt (Secretary/Treasurer), by phone

Ms. Diederich, Vice President called the meeting to order at 1:08 pm in the absence of Mr. Burgum, President

March 27, 2013 Minutes
It was moved by Mr. Effertz, seconded by Mr. Morton to approve the March 27, 2013 minutes. Morton, Kostelecky, Hjelmstad, Effertz, Espegard, and Diederich voted yes. Motion carried.

Expectations of the Foundation and Plan to Generate Additional revenues/Alternate Revenue Sources
The Chancellor noted that the purpose of the Foundation was multi-faceted including generating scholarships for students—most especially for needy students, and to support system costs that cannot be paid from other sources. He said it is common practice in other states to have a system foundation; however, we must be sensitive that it is not seen as competing with campus foundations. Chancellor Shirvani suggested that one alternative, used in some other states, is to ask campus foundations for a contribution to the NDUS Foundation, to be used for outreach. Scholarship fundraising and spending would be left to the campus foundations.

Mr. Espegard inquired about whether this meeting was in violation of ND open meeting laws, due to the number of SBHE members present. Ms. Glatt noted that Ms. Duben-Kalash had posted the meeting according to legal meeting requirements.

Mr. Effertz questioned the composition of the Foundation Trustees, noting the relatively large number of sitting SBHE members who also serve as Trustees. The Chancellor suggested this is a bit unusual. Ms. Glatt noted that Mr. Morton was appointed as a trustee before he became a member of the SBHE, and Mr. Hjelmstad was recently appointed by the SBHE to fulfill the unexpired term of Mr. Richie Smith. She
went on to point out that the by-laws outline the composition of the Foundation Trustees as follows: President and Vice President of SBHE and five other trustees appointed by the SBHE. The Chancellor serves as ex-officio, non-voting Trustee. Chancellor Shirvani noted that it would be his goal to recruit individuals as trustees who are not members of the SBHE in the future. Chancellor Shirvani asked for suggested nominees from the Trustees and said that at the next meeting of the Foundation he would present a list of potential candidates. Various trustees spoke to the importance of appropriate balance—geographic, private/public, small/large, etc.

With regard to asking for a contribution from the campus foundations, Ms. Kostelecky asked whether the presidents had been consulted. Chancellor Shirvani indicated that it would be his intent to speak to the presidents if there is interest on the part of the Foundation Trustees to pursue this alternative. Mr. Espegard suggested that we need to clearly describe this as a voluntary contribution, not an assessment. He went on to say that it is also important for the Trustees to make contributions to create a shared sense of ownership and responsibility.

While Mr. Effertz supported solicitation of funds, he first wanted to understand how funds had and would be spent. Ms. Glatt indicated she would provide not only a copy of the Foundation financial statements, but a summary of expenditures, by type. Ms. Diederich agreed, noting that if the Trustees are asked to raise money, they need to be accountable for its use.

Ms. Diederich asked about what plans, if any, are being made or in place, to help educate the taxpayers on the constitutional amendment to restructure the SBHE and the position of Chancellor. She noted it will take resources to do this effectively. Mr. Espegard said he was concerned about the possible use of foundation funds for this purposes and was unsure about whether Foundation funds could legally be used for this purpose or not. Ms. Glatt said she would seek legal guidance on this issue and report back.

It was suggested by Mr. Espegard that the Foundation President visit with the campus foundation directors about possible contributions. Ms. Diederich said a budget plan should be in place before reaching out to the foundation directors, and Chancellor Shirvani agreed to develop such a plan. Ms. Glatt indicated she would find out when the Foundation directors, as a group intend to meet again. Mr. Effertz said it would also be helpful to have some talking points of System accomplishments in hand in order to effectively solicit funds. Chancellor Shirvani said he would provide that list of accomplishments within 7-10 days. He also asked the Chancellor about other opportunities for advocacy, based on practices in other states.

Ms. Kostelecky inquired about liability insurance coverage for Trustees. Ms. Glatt said she would follow up and report back.

Committee members thanked Mr. Morton for hosting the meeting at MicroSoft. The meeting adjourned at 1:50 pm.