North Dakota State Board of Higher Education
Budget and Finance Committee Meeting Minutes
April 11, 2016

The State Board of Higher Education Budget and Finance Committee met via conference call, Monday, April 11, at 2:00 p.m. CT. The call originated from the North Dakota University System Office, 10th Floor, Chancellor’s office, 600 East Boulevard Ave., Bismarck, ND 58505.

Chair Morton called the meeting to order at 2:00 p.m. CT.

SBHE Budget and Finance Committee members participating:
Mr. Morton, Chair
Dr. Kevin Melicher
Mr. Greg Stemen
Ms. Emma Tufte

Other participants:
Ms. Tammy Dolan, NDUS
Ms. Cathy McDonald, NDUS
Ms. Laura Schratt, NDUS
Ms. Robin Putnam
Mr. Corry Kenny, LRSC
Ms. Laurie Furuseth, WSC
Mr. Bullinger, NDSU
Mr. Dennis Gladden, NDSCS
Mr. Rick Tonder, NDUS
Ms. Karol Riedman, NDSU
Ms. Kristie Hetzler, NDUS
Ms. Laura Pfeifer, DCB
Mr. Steve Benson, MaSU
Mr. Wesley Wintch, VCSU
Ms. Alice Brekke, UND
Mr. Nick Vaughn, Attorney General’s Office

Agenda
Melicher moved, Stemen seconded, to approve the agenda.

Stemen, Melicher and Morton voted yes.

1. Meeting Minutes
Melicher moved, Stemen seconded, to approve the March 11, 2016, meeting minutes.

Melicher, Stemen, and Morton voted yes

Robin Putnam gave an overview of the campus’s annual financial review report.

Stemen moved, Melicher seconded, to accept the annual financial review report.

Melicher, Stemen, and Morton voted yes

3. Semi-annual Budget Report
Cathy McDonald gave an overview of the financial year 2016 semi-annual budget report (period ending December 31, 2015). Campuses are required to report to the State Board of Higher Education Budget and Finance Committee on a semi-annual basis.

The North Dakota University System is governed by the State Board of Higher Education and includes: Bismarck State College • Dakota College at Bottineau • Dickinson State University • Lake Region State College • Mayville State University • Minot State University of North Dakota State College of Science • North Dakota State University • University of North Dakota • Valley City State University • Williston State College
MaSU is requesting consideration of an extension to eliminate the deficit until June 30, 2020. Over the five years (FY16-FY20) the debt will be eliminated at approximately $35,000 per year.

Stemen moved, Melicher seconded, to accept the semi-annual budget and grant MaSU’s request for an extension to eliminate the deficit until June 30, 2020.

Stemen, Melicher, and Morton vote yes.

4. **UND School of Medicine and Health Sciences (SoMHS) RuralMed Program**

Tammy Dolan explained the RuralMed is a state sponsored tuition program designed to encourage medical students to select careers in family medicine and increase the number of family medicine providers and other high need specialties in rural North Dakota. It will no longer be a scholarship, it will be a forgivable student loan program.

The RuralMed program has been labeled as a scholarship since its’ inception. This was identified as a potential issue and legal opinion was sought. Eide Bailly reviewed the program and made the recommendation to administer RuralMed as a forgivable student loan because of potential IRS tax liabilities. This is in the best interests of the University and its’ students. The legal opinion is attached. The North Dakota Student Loan Service Center (ND SLSC) has been contacted and is willing to service this program on behalf of the University, as it does a number of other student loans that are funded through the University. The program will continue to function very similar to how it has in the past. The only significant change is labeling the program as a student loan and the ND SLSC servicing the loans. There is no significant increase in costs to have ND SLSC service these loans and therefore, no additional funding from the ND Legislature is needed.

5. **DCB Nelson Science Center**

Melicher moved, Stemen seconeded to recommend authorization to Dakota College at Bottineau to proceed with the Nelson Science Center renovation project at a cost of $1,054,288 funded as per HB 1003 Section 1, Dakota College at Bottineau, Capital Assets.

Stemen, Melicher, and Morton vote yes.

6. **UND O’Kelly Hall Classroom Renovations**

Board members inquired whether the asbestos issues were taken care of. UND representatives confirmed that it is included in the budget.

Stemen moved, Melicher seconded to recommend authorization to UND to proceed with O’Kelly Hall classroom renovations and IT CORE upgrade in Merrifield Hall at an estimated cost of $7,000,000 to be funded by extraordinary repair funds ($2,300,000) and matching funds ($4,700,000); UND’s student technology fee ($2,400,000), asbestos abatement fund ($200,000), telecommunication fee ($1,000,000), appropriated funds ($600,000) and other local sources ($500,000).

Stemen, Melicher, and Morton vote yes.
7. **DSU Theodore Roosevelt Presidential Library**

Rick Tonder explained DSU wishes to lease land to the Theodore Roosevelt Presidential Library Foundation (TRPLF) for the purpose of constructing same said library on what is now the DSU rodeo grounds. It is necessary for the TRPLF to demonstrate that a site has been selected for the project prior to July 1, 2016 in order to comply with enabling legislation and use appropriated funds so designated by the legislation for the project.

Board members inquired if the property is on campus. DSU representative confirmed the property is on campus.

It was noted that the draft ground lease has been approved by legal; however, additional documentation required by SBHE policy 910.1 must be provided prior to final approval by the board.

Melicher moved, Stemen seconded, to recommend authorization to Dickinson State College to proceed with private development of state land by the Theodore Roosevelt Presidential Library Foundation for the purpose of constructing the Theodore Roosevelt Presidential Library, and to do all things good and necessary for the development of the land, including the preparation and execution of agreements which ascertain the compliance with policy and statute regulating the same said development.

**Future Agendas**

Tammy Dolan requested the SBHE Budget and Finance Committee review all budget, facility, and finance requests, rather than just the ones mandated by policy. Committee members agreed.

Meeting adjourned at 2:05 p.m. CT.