North Dakota State Board of Higher Education  
Meeting Minutes  
June 17, 2016

The State Board of Higher Education met on Friday, June 17, at 8:30 a.m. at the Lewis and Clark Interpretive Center, 2576 8th St SW, Washburn, ND 58577.

Board Chair called the meeting to order at 8:40 a.m. CT.

Members present:
Ms. Kathleen Neset, Chair Mr. Don Morton, Vice Chair
Mr. Greg Stemen Mr. Brett Johnson
Dr. Kevin Melicher Ms. Kari Reichert
Ms. Emma Tufte, Staff Adviser

Chancellor present: Dr. Mark Hagerott

Institution Presidents present:
Dr. Gary Hagen, President, MaSU
Dr. Doug Darling President, LRSC
Dr. Jerry Migler, Dean, DCB
Dr. Dean Bresciani, President, NDSU
Mr. Ed Schafer, Interim President, UND
Mr. Mark Kennedy, Incoming President, UND
Dr. Larry C. Skogen, President, BSC
Dr. Steve Shirley, President, MiSU
Dr. Tisa Mason, President, VCSU
Dr. Tom Mitzel, President, DSU
Dr. John Miller, Acting President, WSC
Mr. John Richman, President, NDSCS

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

1. Agenda
Chair Neset removed executive session, items 6, 7, and 8, from the agenda.

Morton moved, Melicher seconded, to approve the agenda with amendments.

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

Mr. Vern Dosch, Chief Executive Officer of National Information Solutions Cooperative (NISC), gave a presentation on workplace culture, millennials and technology.
Board Policy Second Readings

2. **Policy 302.2 - Audit Committee**
   Laura Schratt reviewed second reading for policy **302.2**, regarding Audit Committee. There were no changes from the first reading.

3. **Policy 802.2 - Internal Audit Charter**
   Laura Schratt reviewed second reading for policy **802.8**, regarding the Internal Audit Charter. The update from first reading is a change in the reporting structure at the institution level to include functional and administrative reporting directly to the President. This provides needed independence to the internal audit staff.

4. **Policy 1202.1 - Acceptable Use of Information Technology Resources**
   Lisa Feldner reviewed second reading for new policy **1202.1**, regarding acceptable use of Information Technology Resources.
   Melicher moved, Stemen seconded, to approve second reading and final adoption of policies 302.2, 802.8, and 1202.1.
   Morton, Stemen, Melicher, Johnson, Reichert, and Neset voted yes.

5. **Theodore Roosevelt Presidential Library**
   Mr. Jim Kelly, Chief Executive Officer, gave an overview of the Dickinson State University Theodore Roosevelt Presidential Library Foundation and ground lease.
   Board members requested additional language and for it to come back to the Board for ratification.
   Melicher moved, Morton seconded, to approve the ground lease agreement with the Theodore Roosevelt Presidential Library Foundation, but add a provision that addresses the condition of the property, to add additional provision, and return to the Board for ratification.
   Stemen, Melicher, Morton, Johnson, Reichert, and Neset voted yes.

**Executive Session**
Melicher moved, Johnson seconded, to reconsider discussion on amended agenda.
Stemen, Melicher, Johnson, Reichert, voted yes, Neset and Morton voted no.
Board discussed whether or not to return to item 6, executive session.
Melicher moved to go into executive session, motion failed.
Johnson moved, Morton seconded, to continue on the amended agenda.
Johnson, Reichert, Stemen, Melicher, Morton, and Neset voted yes.

6. **Move to enter Executive Session**
   # Move to enter Executive Session to (1) consider the reappointment of and any new contract terms for Presidents at the following institutions: BSC, LRSC, MaSU, MSU, NDSCS, NDSU, and VCSU; and (2) limit the executive session to voting board members, nonvoting advisors, Chancellor, Chancellor’s Senior Staff, and board counsel. Removed
The legal authority for closing this portion of the meeting is North Dakota Century Code section 15-10-17(1)(a).

7. **Reconvene to take action regarding the reappointment of and any new contract terms for Presidents at the following institutions: BSC, LRSC, MaSU, MiSU, NDSCS, NDSU, and VCSU.** Removed

8. **FY17 Salary Ranges and Salary Increases for Presidents and Vice Chancellors.** Removed

9. **2017-2019 Biennial Budget**
   Tammy Dolan reviewed the proposed 2017-2019 biennial budget request, including the system office, campuses and the Forest Service.

   **Upper Great Plains Transportation Institute (UGPTI)**
   Mr. Denver Tolliver reviewed the proposed 2017-2019 budget request.

   **State Board of Agricultural Research and Education (SBARE)**
   Mr. Mike Beltz reviewed the proposed 2017-2019 budget request.

   **Northern Crops Institute (NCI)**
   Mr. Mark Weber reviewed the proposed 2017-2019 budget request.

   Melicher moved, Johnson seconded, to approve the following proposed 2017-2019 budget requests, agenda item 9 (b, c, d, and e):
   - b. System office, campuses and the forest service
   - c. Northern Crops Institute (NCI)
   - d. Upper Great Plains Transportation Institute (UGPTI)
   - e. State Board of Agricultural Research and Education (SBARE)

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

**SBHE Budget, Finance, and Facilities Committee Recommendations**
Don Morton gave an overview of the SBHE Budget, Finance, and Facilities Committee, and recommends approval of the following:

10. **FY17 NDUS Office and SBHE budget**
    Johnson moved, Reichert seconded, to approve budget, finance, and facilities item 10.

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

11. Authorization for NDSU to proceed with the Walster Hall Laboratory Renovation Project at an estimated cost of $500,000 funded from 2015-17 extra ordinary repair funds and required match.

    Melicher moved, Johnson seconded, to approve budget, finance, and facilities item 11.

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

12. Authorization for NDSU to enter into the attached capital lease agreements and operating agreements with NDSU Research & Technology Park, Inc. (“RTP”) for the Research I and Research II buildings.
Melicher moved, Johnson seconded, to approve budget, finance, and facilities item 12.

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

13. Authorization for NDSU to adopt a resolution approving:
   a. The issuance of not to exceed $10,900,000 State Board of Higher Education of the State of North Dakota, North Dakota State University, Housing and Auxiliary Facilities Revenue Refunding Bonds, Series 2016A, for the purpose of refinancing the outstanding NDSU Housing and Auxiliary Facilities Revenue Bonds, Series 2007, maturing on and after April 1, 2017, and paying the costs of issuance of the Series 2016A bonds;
   b. Authorize the execution of a Supplemental Indenture of Trust, Bond Purchase Agreement and Related Documents;
   c. Authorize the NDSU President and Vice President for Finance and Administration to approve the sale of the bonds (Series 2016A) provided that the rate not exceed 5%, provided the present value of the debt service savings is not less than 3%. The approximate final date upon which the principal amount of the obligation will mature or become payable is April 1, 2036; and
   d. Appoint the firm of Arntson Stewart Wegner PC as the bond counsel and Fieldman, Rolapp & Associates (Independent Financial Advisors to Government) as the financial advisor.

Melicher moved, Johnson seconded, to approve budget, finance, and facilities item 13, including 13 a, b, c, and d.

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

**SBHE Academic and Student Affairs Committee Recommendations**

Kari Reichert gave an overview of SBHE Academic and Student Affairs Committee, and recommends approval of the following:

14. #2016 Out of State Authorization Renewals to Operate
   • Central Michigan Renewal to Operate in 2016;
   • Embry-Riddle Renewal to Operate in 2016;
   • Park University Renewal to Operate in 2016; and,
   • Rasmussen College Renewal to Operate in 2016.

Morton moved, Melicher seconded, to approve academic and student affairs item 14.

Reichert, Hacker, Johnson, Melicher, Stemen, and Neset voted yes.

15. **Election of SBHE Officers**

   Stemen moved, Morton seconded, to nominate Kathleen Neset to continue the role of Board Chair.

   Reichert, Hacker, Johnson, Melicher, Stemen, and Neset voted yes.

   Melicher moved, Johnson seconded, to nominate Don Morton to continue the role of Board Vice Chair.

   Reichert, Hacker, Johnson, Melicher, Stemen, and Neset voted yes.
16. SBHE Committees
Ms. Neset made SBHE committee appointments.

Recognition of outgoing Board Members
Ms. Neset thanked Eric Murphy, Emma Tufte, and Brett Johnson for their year(s) of service.

Ms. Neset thanked Ed Schafer for his role as interim President at UND.

Chair Neset adjoumed the meeting at 1:45 p.m. CT.

Approved September 29, 2016.