North Dakota State Board of Higher Education  
Budget and Finance Committee Meeting Minutes  
September 12, 2016

The State Board of Higher Education Budget and Finance Committee met via conference call, Monday, September 12, 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 Stemen called the meeting to order at 2:00 p.m. CT.

SBHE Budget and Finance Committee members participating:
Mr. Greg Stemen, Chair
Mr. Andy Wakeford
Mr. Nick Hacker

Other participants:
Chancellor Hagerott
Mr. Rick Tonder, NDUS  Ms. Tammy Dolan, NDUS
Mr. David Krebsbach, NDUS  Ms. Robin Putnam, NDUS
Ms. Laura Schratt, NDUS  Ms. Kristie Hetzler, NDUS
Mr. Bullinger, NDSU  Ms. Linda Donlin, NDUS
Mr. Chris Wilson, NDSU  Ms. Cynthia Rott, NDSU
Mr. Steve Benson, MaSU  Dr. Tisa Mason, VCSU
Mr. Vincent Pachuilo, WSC  Mr. Wesley Wintch, VCSU
Mr. Lamy Robinson, VCUS  Dr. Doug Darling, LRSC
Ms. Alice Brekke, UND  Mr. Corry Kenny, LRSC
Mr. Brent Winiger, MiSU  Mr. Dave Clark, BSC
Dr. Thomas Mitzel, DSU  Dr. Steve Shirley, MiSU
Dr. John Richman, NDSCS  Mr. Dennis Gladen, NDSCS
Mr. Nick Vaughn, Attorney General’s Office

1. **Meeting Minutes**
   Hacker moved to approve the following meeting minutes:
   - June 10, 2016
   - May 18, 2016

   Hacker and Stemen voted yes.

2. **Mayville State University Agassiz Hall**
   Mr. Rick Tonder updated the committee on the insurance claim regarding mechanical and other issues that was affecting indoor air quality. There was a settlement with the insurers for a sum of $375,000.00 to go towards correcting the
problem. There may be a request to the committee in the future for additional money needed for additional work.

3. **NDSU Minard Hall Deficiency Appropriation**
Ms. Tammy Dolan stated the litigation is closed and there will be no additional deficiency appropriation request for Minard Hall.

4. **Campus Budget Reduction Report**
Ms. Tammy Dolan explained she has been working with the institutions regarding a draft budget plan. The budget plan will constantly change and evolve over time with the changing environment. All numbers are the best estimates available at this time. Final decisions will need to be made after the 2017 Legislative Assembly concludes and prior to approval of the fiscal years 18 and 19 annual budgets. We are still reviewing draft documents provided by campuses and may have updated information for the Board members. Impacts to the System Office, ND Forest Service and NDSU Agriculture Research/Extension, Northern Crops Institute and Upper Great Plains Transportation Institute are still being worked on.

5. **Tuition and Fees Waivers Study Report**
President Richman gave an overview of a draft tuition, fee, and waiver study report. A performance audit of tuition waivers and stipends was conducted by the State Auditor’s office for the 2013-2014 academic year and the three previous academic years. The report was issued on March 20, 2015 and included 10 formal recommendations. A work group was formed consisting of finance and controller staff from multiple campuses and the System Office to address those recommendations. Committee members requested the system office run the numbers showing what the financial impact for each campus would be by changing the U.S. residents per out-of-state tuition rate, from 1.25 to 1.2 before moving is to full Board.

President Richman clarified that the tuition principles, common definitions and waiver template be implemented at a minimum of a year, prior to changes to the waiver so the full impact can be recognized with accurate, precise data.

Hacker moved to bring the draft modifications to the tuition principals and waiver definitions and reporting to establish our baseline starting in January 2017 to the full Board for discussion.

There was a concern raised that student recruitment has already started and the effective date affects their efforts and what students are currently being advised. It was suggested to move the date to Fall 2018.

Hacker and Stemen voted yes.
6. **DSU Woods Hall**
   Ratify Chancellor’s interim authorization for DSU to complete asbestos removal within Woods Hall in preparation for additional renovation work at a cost of $124,328 to be funded from DSU auxiliary funds.

   Hacker moved to approve item 6.
   Hacker and Stemen voted yes.

7. **LRSC High Voltage Distribution**
   Ratify Chancellor’s interim authorization to replace LRSC’s high voltage distribution system, upgrade its electrical panels, provide emergency life and safety backup electrical generation capabilities and, if contingency funds allow, upgrade site lighting fixtures, wiring and poles at an estimated cost of $1,400,000. Appropriated capital asset funding from the ND Legislature is in place for this project.

   Hacker moved to approve item 7.
   Hacker and Stemen voted yes.

8. **MiSU Inflatable Bubble Project**
   Ratify Chancellor’s interim authorization for MiSU to proceed with the Concrete Footing for the inflatable Bubble project at an estimated cost of $384,000 to be funded by donation.

   Hacker moved to approve item 8.
   Hacker and Stemen voted yes.

9. **Line Item Transfers from Operations to Capital Assets**
   Recommend approval of line item transfers from 2015-17 operations to capital assets for the following campuses: NDSCS-$1,012,379; VCSU-$180,505 to complete extraordinary repairs.

   Hacker moved to approve item 9.
   Hacker and Stemen voted yes.

Meeting adjourned at 3:10 p.m. CT.

Approved October 20, 2016.