North Dakota State Board of Higher Education
Meeting Minutes
October 27, 2016

The State Board of Higher Education met on Thursday, October 27, at 9:00 a.m. CT, via skype, originating from Bismarck State College, National Energy Center of Excellence, 1200 Schafer Street, Room 431/433.

Other physical locations were at the following:
- Bismarck State College, National Energy Center of Excellence, 1200 Schafer Street, Room 431/433.
- Minot State University, Administration Building, 500 University Ave. West, second floor, president's office.
- University of North Dakota, Information Technology Bldg., 4349 James Ray Drive, room 142.
- North Dakota State University, Old Main 102, 1340 Administration Ave., President’s Conference Room.
- Williston State College, Stevens Hall, 1410 University Ave., room 202C.

Chair Neset called the meeting to order at 9:00 a.m. CT.

Members present:
- Ms. Kathleen Neset, Chair
- Mr. Don Morton, Vice Chair
- Mr. Greg Stemen
- Mr. Mike Ness
- Dr. Kevin Melicher
- Mr. Nick Hacker
- Mr. Nick Evans
- Mr. Andy Wakeford, Staff Adviser
- Dr. Ernst Pijning, Faculty 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. Mark Kennedy, 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, Interim President, WSC
- Dr. John Richman, President, NDSCS

NDUS senior staff present:
- Dr. Richard Rothaus, Vice Chancellor of Academic and Student Affairs
- Ms. Tammy Dolan, Chief Financial Officer
Ms. Linda Donlin, Vice Chancellor of Strategic Engagement
Ms. Billie Jo Lorius, Director of Communication/Media Relations
Ms. Kristie Hetzler, Executive Assistant to the State Board of Higher Education

Others:
Mr. Nick Vaughn, Attorney General’s Office

1. Agenda

Ness moved, Melicher seconded, to approve the agenda.

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

2. Meeting Minutes

Melicher moved, Hacker seconded, to approve the September 29, 2016.

Board Policy

3. 1st Reading, Policy 506.1 – Immunizations
4. 1st Reading, Policy 508.1 – STEM Loan
5. 1st Reading, Policy HR 24 – Reduction in Force

Morton moved, Hacker seconded, to approve the first readings of policies, items 3-5.

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

6. 2nd Reading, Policy 302.3 – Budget and Finance Committee

Stemen moved, Hacker seconded, to approve policy 302.3.

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

7. 2nd Reading, Policy 1200.1 – Information Technology Consolidation Services

Ness moved, Morton seconded, to approve policy 1200.1.

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

8. 2nd Reading, Policy 1202.3 – Data Privacy Policy

Ness moved, Morton seconded, to approve policy 1202.3.

Stemen, Melicher, Evans, Ness, Morton, Hacker, and Neset voted yes.
Board Business

9. **Tuition Model and Waiver Definitions and Reporting**
   a. **Tuition Model**
   
   Tammy Dolan explained the Chancellor established a Tuition & Fees, Waivers Task Force in the fall of 2015, to study the existing tuition model and recommend changes that would provide transparency, improve data consistency and comparability, and address audit concerns. Additional analysis is needed to determine if the model can be revenue-neutral to the campuses without placing an undue burden on rates charged to North Dakota students. They proposed a delayed implementation date of fall 2019; that will provide time to conduct the necessary analysis and to understand the implications of the state’s funding situation on the 2017-2019 appropriation provided by the 2017 Legislative Assembly. Campuses will have the flexibility to implement at an earlier date.

   Hacker moved, Ness seconded, to approve the following four principles with a delayed implementation date of fall 2019.

   **Principle 1**
   Per credit hour, except at UND and NDSU where a flat rate will be assessed at either 14 or 15 12-13 semester hours above a defined threshold of semester hours set by the institution. A campus (other than UND or NDSU) that is not currently per credit hour, will have until Fall 2018 2019 to phase-in the per credit hour model.

   **Principle 2**
   To the greatest extent possible, blend together tuition and non-mandatory fees; however, campuses may retain a separate distance education access fee, as deemed necessary. The discontinuation/phase-out of the distance education fee will be considered after the initial Fall 2018 2019 implementation.

   **Principle 3**
   To the greatest extent possible, on-campus and online tuition rates should be the same and consistent within residency rates.

   **Principle 4**
   The SBHE may consider special institutional/program tuition rates based on unique markets, geographic location, enrollment considerations and/or the variable cost of Recognizes and creates special differential tuition rates for unique academic programs, where needed, to address high cost of unique.

   Stemen, Hacker, Ness and Neset voted yes. Melicher, Morton, and Evans voted no. Motion carried.

   **Principle 5**
   - ND Residents per in-state tuition rate – 1.0
   - MN per established per reciprocity agreement – 1.12
b. Waiver Definitions and Reporting

Tammy Dolan presented the Tuition and Fees Task Force recommendation to the Board. They developed a standard tuition waiver form to be utilized by all 11 campuses to document waiver provisions, criteria and other appropriate information. There will be common waiver item type coding. There is also a new waiver form for all current institutional waivers and those proposed in the future, that will be utilized system-wide. The implementation of the waiver definitions and reporting will be immediate.

Ness moved, Morton seconded, to approve waiver definitions and reporting, implementation effective immediately.

10. Strategic Plan

Linda Donlin presented amendments to the strategic plan. The Board developed its current strategic plan in 2014, launching it in January 2015. Since its development, board membership has changed, as has leadership in the Chancellor's office and at many of the campuses. Each year the Board discusses the plan's relevance in the current environment and makes adjustments as needed. At the June retreat, participants prioritized issues and the Cabinet and System Office staff had further discussion. Issues that rose to the top included implementation of shared services, better retention and attainment and metric-driven performance measures. At the September 2016 Board meeting, the Board pulled out the Attainment goal and approved it, but tabled approval of the rest of the plan primarily because the Tuition Model needs further study. Adjusted language has now been added to the plan.

Melicher moved, Morton seconded, to approve the amendments to the Board's Strategic plan.

Stemen, Melicher, Evans, Ness, Morton, Hacker, and Neset voted yes.
11. Board Meeting Venue Change

Evans moved, Ness seconded, to approve the change venue to Bismarck State College for the November 16, 2016, SBHE meeting.

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

12. Governance Committee

Chancellor Hagerott requested to add another Board member to the current governance committee that Mike Ness currently serves on. The committee discusses education, training, and best practices. The committee would also discuss Presidential evaluations and how the process will take place in the future. Nick Hacker volunteered to serve on the committee.

13. Chancellor Hagerott gave an update on NexusND.

SBHE Budget, Finance, and Facilities Committee Recommendations

14. Raise the eligibility amount for distribution or rollover to $20,000 for employees who terminate from the NDUS that are participants in the NDUS Defined Contribution 401(a) retirement plan to eliminate the number of small plan balances which require administration.

15. Change the default investment for NDUS 401(a) Executive Compensation Plan from CREF Money Market Account to Lifecycle Fund.

Morton moved, Melicher seconded, to approve budget and finance items 14 & 15.

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

16. Authorize UND to proceed with deferred maintenance work as follows: Chester Fritz Library mechanical cooling tower and associated equipment replacement ($770,000), UND Airport Admin building curtain wall replacement ($1,000,000), and Memorial Union replacement of internal rain leaders ($222,939) at an estimated cost of $1,992,939 to be funded from the one-time deferred maintenance pool funding included in HB1003, Section 2. One-Time Funding – Effect on Base Budget – Report to Sixty-Fifth Legislative Assembly. Furthermore, authorize the transfer of $1,992,939 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.

17. Authorize UND to proceed with the installation of fire protection systems in Brannon Hall, a residence hall facility, at an estimated cost of $2,325,000 to be funded from local funds.
Stemen moved, Hacker seconded, to approve budget and finance items 16 & 17.

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

Greg Stemen reported that the faculty sick leave policy is in the preliminary stages of being reviewed to address data inconsistencies. Legal will draft the policy and it will be reviewed at all the councils and committees prior to coming to the full Board for approval.

**SBHE Academic and Student Affairs Committee Recommendations**

**Stage II-New Program(s):**

18. Minot State University (MiSU) has submitted a Stage II request to offer the Graduate Certificate in Management Concepts, using CIP Code 52.0201, via traditional and distance delivery, effective Spring 2017.

19. Minot State University (MiSU) has submitted a Stage II request to offer the Minor in Honors Program in Engagement & Scholarship, using CIP Code 30.3301, via traditional and distance delivery, effective Fall 2017.

20. The University of North Dakota (UND) and North Dakota State University (NDSU) to offer joint Graduate Programs in Biomedical Engineering, using CIP Code 14.0501 and prefix BME (Biomedical Engineering), via on-campus and distance delivery, effective Fall 2017. Approve the following graduate programs:
   a. Masters of Science (MS) in Biomedical Engineering
   b. Doctor of Philosophy Degree (PhD) in Biomedical Engineering

Ness moved, Morton seconded, to approve academic requests, items 18 – 20.

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

**Stage II-Organizational Change(s):**

21. Bismarck State College’s request for an organizational change to establish three divisions:

- Humanities, Arts and Sciences;
- Current and Emerging Technologies; and
- National Energy Center of Excellence;

and five department name changes:
- From Career & Technology to Agriculture, Electronics & Graphic Design;
- From Fine Arts to Fine Arts & Humanities;
- From Medical Arts & Emergency services to Health Sciences;
- From English & Mass Media to Language, Literature, & Communication; and,
- From Social Sciences, Humanities & Education to Social Sciences, Business & Education, effective Spring 2017.
Audit Committee Update
Chair Neset gave a status report regarding the investigation into North Dakota State University's media guidelines.

Future Board Meeting: November 16 – Bismarck State College

Meeting adjourned at 11:10 a.m. CT.

Approved December 14, 2016.