Report to the

State Board of Higher Education

March 14, 2013

Submitted by
Claire J. Holloway
NDUS General Counsel
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Executive Summary

On March 7, 2013, the student representative on the State Board of Higher Education (SBHE), Sydney Hull, presented documents to the public and other SBHE members containing various allegations regarding the SBHE and Chancellor Hamid Shirvani. The SBHE asked me to look into the allegations and report on my findings. After thoroughly reviewing the allegations, I found that some of them were already publicly addressed and resolved. Most of the new allegations, especially those regarding open meeting laws, can be put to rest simply by reviewing documentation available on the SBHE website. I have found no substantive evidence of willful wrongdoing. However, there is one meeting (and possibly two) for which the SBHE needs to retroactively provide an agenda and minutes because it was not identified as a public meeting at the time it occurred.

SBHE members, not the Chancellor, are responsible for ensuring their meetings comply with open meeting laws, and the North Dakota University System (NDUS) General Counsel is responsible for advising them on their obligations under those laws. During my tenure as General Counsel, SBHE members and the Chancellor have consistently informed me they want to be in full compliance with open meeting laws. To the extent we have discovered – or discover in the future – any inadvertent omissions of open meeting requirements or any other legal violations, I am confident the SBHE and NDUS office will rectify them.

The recent allegations brought forth by Mr. Hull also created an opportunity for the SBHE to review its open meeting practices. I recommend we develop guidelines for open meeting compliance to ensure there is no confusion about the laws’ application to SBHE proceedings going forward. I also encourage everyone within the NDUS to raise concerns about potential violations – of any laws or policies – to appropriate personnel so the SBHE and NDUS office can take action to address them immediately. Retaliation for such reports is not tolerated.
I. Introduction

On March 7, 2013, the SBHE had a meeting on the Bismarck State College campus. At the end of that meeting, Sydney Hull, the SBHE's student representative, requested time to speak. During his speech, he made several allegations of improper activities by the SBHE and the Chancellor. Mr. Hull also provided several documents and represented them as the basis for his allegations. The documents, which are attached, contain emails, including very lengthy emails among two former employees (a secretary and the former General Counsel) and a North Dakota legislator, as well as other documents. The other documents provided by Mr. Hull include an outline of thirteen allegations with no identified author or date, a draft floor plan of the NDUS IT building being constructed in Grand Forks, copies of the Chancellor's calendar entries and materials relating to the Chancellor's resume and application for his current position. SBHE member Kari Reichert asked Mr. Hull if he had or would be providing any additional materials. He said no and that the documents he provided at the meeting were all the documents relating to the allegations.

After the meeting, the SBHE asked me to investigate the allegations and prepare a report on my investigation and findings. I appreciate this opportunity. While the SBHE and the Chancellor have consistently directed me to ensure we comply with all legal obligations, and, specifically, open meeting requirements, Mr. Hull's allegations provide a chance for the SBHE to review its practices and make changes, if necessary. It also allows me to provide facts and documents to put any rumors or misrepresentations to rest.

II. Concerns Raised

The documents Mr. Hull provided to the SBHE contain several allegations that fall roughly into the following categories: (1) alleged open meeting violations; (2) allegations that the SBHE has not allowed public comments at SBHE meetings; (3) alleged improprieties involving passage of the Pathways to Student Success plan; (4) alleged SBHE policy violations to expedite policy charges; (5) allegedly improper delegation of authority to the Chancellor; (6) alleged directives preventing communication of concerns to the SBHE; (7) alleged threats of retaliation against a campus president by the SBHE; (8) alleged circumvention of the legislature to create office space in the NDUS IT building; and (9) alleged misrepresentations by the Chancellor on his resume and application for the Chancellor position. All these are addressed below, and relevant documentation has been provided where it exists.

Many of the allegations brought forth on March 7 are based on emails from a former NDUS secretary and the former General Counsel for the NDUS. They were written after these employees left their positions within the NDUS. In the case of the General Counsel, his email was written several months after he entered into an Early Retirement Agreement with the system. As a result, much of the information contained in the emails is based on conversations relayed to him from unnamed
sources. Additionally, in the emails and the unattributed outline, motives are ascribed to individuals, even, in some cases, when the author appears to have had no first-hand knowledge of the actions or conversations that are being relayed.

Similarly, in the unattributed outline Mr. Hull provided to the SBHE, quotations are set forth with no indication of who provided them or who created the outline. In a series of emails attached to this report, I asked Mr. Hull for clarification about how the outline was created and what it was based upon. He responded that it was "provided anonymously." I asked him whether he did not know who provided it or he was asked not to reveal the name of the person who provided it. He informed me today that he received it from Mr. Robert Vallie, who had received it from Rep. Kathy Hawken, who had received it from "an undisclosed source." So we have limited information about that document.

Despite the issues described above regarding the allegations, I accepted them at face value for purposes of ensuring this inquiry was thorough.

III. Inquiry Procedure

My process for investigating the allegations brought forth by Mr. Hull was as follows. I thoroughly read the materials he presented to the SBHE and identified the allegations of legal or policy violations in them. I researched SBHE meeting notices, agendas, minutes and materials; the Chancellor's application materials and related documents; North Dakota laws and Attorney General opinions regarding open meetings and the SBHE; SBHE policies; and the North Dakota Constitution. I also spoke or emailed with most SBHE members as well as NDUS office personnel and had a brief conversation with an attorney in the Attorney General's Office.

IV. Findings

A. Open Meeting Laws

North Dakota has some of the most extensive open meeting laws in the country. Compliance with open meetings laws is a responsibility of the SBHE, and NDUS office personnel perform the necessary functions to comply with those laws at the direction of the SBHE. The NDUS General Counsel is responsible for advising the SBHE regarding their obligations under the open meeting laws.

The SBHE and NDUS office take these responsibilities seriously. Throughout my tenure as General Counsel, SBHE members and NDUS staff consistently told me they want to comply with open meeting laws and have asked questions about how to do so. Each SBHE member with whom I spoke also reported that the former General Counsel never informed the SBHE he had concerns about non-compliance with these laws. The former General Counsel's allegations do not contradict this.
The allegations by the former General Counsel and others regarding open meetings are discussed in the following subsections.

1. Dinner Meetings

The documents provided to the SBHE on March 7, 2013, allege there have been SBHE dinner meetings that violated open meeting laws. After reviewing the documentation for the dinner meetings held since the Chancellor was hired, I found no legal violations. Multiple SBHE members also reported that prior to the Chancellor’s arrival, SBHE dinners were not treated as public meetings.

The following dinner meetings have occurred during the Chancellor’s tenure. Proper notice, agendas, access and meeting minutes have been provided for each of them, and the relevant documents are attached.

a. July 19, 2012, dinner at SBHE member Kirsten Diederich’s home

b. September 25, 2012, dinner at the Chancellor’s home

c. November 14, 2012, dinner at The Ranch Steakhouse in Devils Lake - Only three members attended this dinner, so there was no quorum. As such, it was not subject to open meeting laws, and no business was conducted. Nonetheless, public notice was provided, and brief minutes recorded the lack of a quorum.

d. January 7, 2013, dinner at the UND Alumni Center - Janice Hoffarth, the staff advisor to the SBHE, reported she received a cell phone call during this dinner asking whether she saw any signs announcing the dinner at the alumni center. She informed the caller she did not see any signs. She reported to me that the caller then said, “That’s all we need to know” and hung up. Open meeting laws require the notice of the meeting be posted at the meeting location the day of the meeting. N.D.C.C. 44-04-20(4). Two NDUS employees recall printing a notice document at the alumni center and affixing it to the meeting room door. They reported the SBHE member never asked them whether a sign was posted. On the basis of this information, I do not find there was an open meeting violation. Even if there were, however, it is unclear what the remedy would be.

e. January 16, 2013, dinner at the Chancellor’s home
Some of Mr. Hull’s documents allege the dinner meeting notices and agendas were inadequate. By law, notices must contain the date, time and location of public meetings. N.D.C.C. 44-04-20. They also must contain the topics to be considered “if practicable”. Id. Lack of an agenda, deviations from an agenda or additions to an agenda do not render meetings – or the actions taken during meetings – invalid. Id. For the SBHE dinner meetings, there were no planned topics of conversation or agenda items, although it was anticipated conversations could turn to public business. The agendas were as specific as practicable under these circumstances and, as a result, were compliant with open meeting laws.

Additionally, there were allegations the minutes of SBHE dinner meetings were not sufficiently detailed. Under the law, minutes must include the names of attending members, the date and time the meeting was called to order and adjourned, a list of topics discussed, descriptions of any motions made and whether they were seconded, the results of any votes taken and the vote(s) of each member. N.D.C.C. 44-04-21(2). The dinner meeting minutes included these elements except those related to motions and votes. SBHE members consistently reported there were no motions made or votes taken during dinner meetings. The minutes are therefore compliant.

2. Committee Meetings

Mr. Hull’s documents contained allegations that SBHE committees were meeting without following open meeting procedures. Specifically, the documents written by the former General Counsel allege conversations about committee business between two or more members of any committee are public meetings and that such meetings are occurring without proper notice, agendas or minutes. The unattributed outline also alleges the SBHE “now operates by ‘executive committee...,'” which is a misstatement of fact. The executive committee is advisory and does not operate in lieu of the SBHE. The committee’s role is spelled out in SBHE Policy 302.10.

For years during the former General Counsel’s tenure, there was a budget, audit and finance committee composed of three SBHE members. I found no evidence that he had advised the SBHE to treat conversations between any two members of that committee or any other committee as public meetings, at least not until he prepared a legal memorandum on open meeting laws at the end of August 2012. Also, several SBHE members informed me the former General Counsel never raised any concern about committee meetings to the SBHE.

The allegations in Mr. Hull’s documents provide an opportunity for us to re-examine SBHE committee practices. I recommend that I meet with the Attorney General’s Office to ensure SBHE committee practices are consistent with that office’s
interpretation of those laws. If they are not, I will recommend changes to bring SBHE practice in line with the Attorney General's guidance. In the meantime, I can address some of the specific committee meetings alleged to have violated open meeting laws.

a. September 4, 2012 – There is an allegation based on a second-hand conversation that the Chancellor and members of the SBHE executive committee met and discussed the precursor to the Pathways to Student Success plan without following open meeting laws on this date. I found no evidence of this alleged violation. Instead, the Chancellor and three executive committee members had a social dinner with all four of their spouses at Sanders restaurant that evening. Social meetings are specifically exempt from open meeting laws. N.D.C.C. 44-04-17.1(b)(1).

b. October 29, 2012 – A print-out from the Chancellor's calendar was provided as evidence of a purported open meeting violation by the executive committee on this date. Upon further investigation, it appears the Chancellor had a conversation with executive committee members to discuss grandfathering Minot State University's tuition rates and the 2013-2015 budget. Public meeting requirements were not followed. I spoke with all the individuals on the call, and, to the extent they remember the call, they did not believe, at the time, it was an open meeting violation. To correct this omission, an agenda and minutes will be posted.

c. November 2012 – There is an allegation the executive committee met to discuss the recommendation of Kari Reichert as SBHE secretary without following open meeting laws before November 5, 2012. After the former General Counsel's retirement, the SBHE needed a new secretary. The secretary position is ministerial, and, according to the state constitution, the secretary must live in Bismarck. The SBHE wanted a member to serve in that capacity, and only one member – Kari Reichert – lives in Bismarck. To the best of SBHE members' recollection, the Chancellor contacted one or more of them individually to briefly discuss this and ensure they concurred with Ms. Reichert's appointment as secretary. Conversations between the Chancellor and an SBHE member are not subject to open meeting laws, and I did not find evidence of a legal violation.
d. November 6, 2012 – There is an allegation SBHE executive committee members violated open meeting laws by attending a meeting with the Governor on this date. The meeting was called by the Governor, who invited the attendees, including the SBHE members, in order to discuss his budget. The meeting was held in the Governor's office. My opinion is the meeting was not an executive committee meeting.

e. February 24, 2013 – There is an implication that the press release issued on this date and signed by three SBHE executive committee members was developed in violation of open meeting laws. I found no evidence of this. The press release was developed through multiple communications between the NDUS Director of Communications and individual SBHE members.

3. Serial Telephone Calls

Mr. Hull's documents contain allegations that SBHE members are intentionally circumventing open meeting laws by conducting business in serial telephone calls. Telephone calls among members of public bodies are lawful. Consecutive telephone calls between individual members are not appropriate, however, if (1) the number of members in total participating in the calls constitutes a quorum and (2) the calls are held “for the purposes of avoiding [open meeting requirements].” N.D.C.C. 44-04-17.1(9)(a)(2). Other than generalized allegations, I found no evidence of serial telephone calls intended to circumvent open meeting laws.

4. Cabinet Meeting

The unattributed outline alleges that three SBHE members attended a meeting of the Chancellor's cabinet and that open meeting laws were violated due to a lack of public notice. I found no violation of open meeting laws. Three SBHE members do not constitute a quorum, and, without a quorum, there is no public meeting necessitating notice. N.D.C.C. 44-04-17.1(15); N.D.C.C. 15-10-07.

5. Board Orientation

On September 5, 2012, there was an SBHE member orientation and meeting at the Microsoft campus in Fargo. Multiple allegations about the propriety of this meeting were alleged. I found no legal or policy violation.

First, the unattributed outline alleges it was held at Microsoft “to eliminate media coverage and the attendance of campus presidents.” I found no basis to conclude the Microsoft venue was improper, and, indeed, several members of the
media and campus presidents were in attendance. Public meetings must be held in rooms that are accessible and that can accommodate the number of persons reasonably expected to attend. N.D.C.C. 44-04-19. As described to me and evidenced by the attendance of several media representatives, Microsoft’s large conference room fits this definition.

Second, the outline also alleges a regular SBHE meeting occurred on September 5, 2012, and new policies were adopted. The meeting followed open meeting requirements, however, and the agenda included notice of a regular meeting. Moreover, the agenda included the following topic: “Board Manual Policy Revisions: introduction and final adoption.” It also specified which policies would be addressed. The SBHE members voted to waive second readings of the policies, and, as noted in an earlier section of this report, that was within the SBHE’s authority.

6. **February 26, 2013 Meeting with NDUS Staff**

A print-out of the Chancellor’s calendar for the week of February 25, 2013, was provided by Mr. Hull. Members of the SBHE met with some NDUS staff members on February 26, 2013. The Chancellor was not present in the meeting. SBHE members inquired about open meeting procedures at the beginning of the meeting and stated they wanted to comply with them if legally required to do so. After a discussion, I advised I did not believe the meeting was subject to open meeting requirements. We will further evaluate this issue and rectify the omission if necessary.

7. **NDUS Office Staff Conversations**

Mr. Hull’s documents contain various allegations implying the Chancellor tried to direct staff to ignore or violate open meeting laws toward the beginning of the Chancellor’s tenure in North Dakota. Several of these allegations are based on conversations relayed to the former General Counsel by unnamed individuals. Others are based on conversations involving the former General Counsel and/or the former NDUS secretary whose emails also were provided by Mr. Hull. For purposes of this inquiry, I took the allegations at face value.

Some of the allegations are that the Chancellor rejected advice on open meeting laws provided by NDUS administrative staff. I find no violation of open meeting laws. It is appropriate for a state employee to obtain guidance on legal compliance matters from an attorney rather than administrative staff.

Other allegations are that the Chancellor rejected advice regarding open meeting laws that was proffered by the former General Counsel. Similar allegations are that the former General Counsel was “ignored” and not consulted on open meeting matters. These are not legal violations. The Chancellor, like any client, is allowed to weigh the legal advice provided by an attorney and either accept it or
reject it. Had the rejection of legal advice led to violations of open meeting laws, however, corrections would have to be made.

After speaking with an Assistant Attorney General at the Attorney General’s Office, I understand she provided open meeting guidance to the Chancellor. She often provides guidance on open meeting requirements to state employees, and felt this was not extraordinary. I find no evidence of a legal violation here. Based on the other findings regarding open meeting laws, the advice appears to have been clear and effective.

B. Public Comment Periods at SBHE meetings

Mr. Hull’s documents contain a statement that public comment periods have been eliminated from SBHE meetings. There is no legal requirement for a public comment period at SBHE meetings, however. Even so, the Board often provides such a comment period in order to obtain public input. I found one SBHE meeting since mid-2012 where the public comment period was not on the agenda. That meeting occurred September 5, 2012, and was a SBHE member orientation meeting. The minutes from those meetings show no one raised this as a concern.

C. SBHE Adoption of Pathways to Student Success

Mr. Hull’s documents contain multiple allegations regarding the development and implementation of the Pathways plan. First, there are allegations that input from stakeholders was quashed or avoided. Second, there are allegations that the process for voting on the plan was inappropriate. While the first is not a legal issue, I address both types of allegations below.

1. Stakeholder Input – The SBHE and the Chancellor actively sought and obtained input on the Pathways plan from myriad stakeholders. To this day, they continue to do so as they refine the plan in an effort to improve our state university system. For example, the Chancellor has met with campus presidents to listen to their concerns about the timing of tuition changes, and the plan has been adapted to address that concern. The Chancellor has met with many legislators, public school administrators, the Department of Public Instruction, campus leaders and others to discuss the plan. He also has directed his staff to consult with stakeholders within the university system and outside of it.

2. SBHE Vote on the Pathways Plan – An allegation was made that the passage of the plan during the September 26, 2012, SBHE meeting was improper because it was not appropriately described on the agenda. That agenda included the following topic: “Pathways to Student Success proposal – Chancellor
Shirvani”. After the presentation, the SBHE voted unanimously to approve the plan. Even if that vote were deemed a departure from the agenda, that does not invalidate the meeting or the vote. As noted above, the open meeting laws specifically allow that flexibility. N.D.C.C. 44-04-20.

D. Policy Changes

Mr. Hull’s documents contained several allegations regarding the validity of policy changes approved by the SBHE. I found no evidence of legal or policy violations.

First, there were allegations the SBHE violated its policy by waiving second readings of proposed policy changes and rushing their adoption. For example, second readings were waived in the September 5, 2012, and September 26, 2012, SBHE meetings. This is fully within the SBHE’s authority. Multiple SBHE members, including Mr. Hull, moved to waive second readings of policy changes and seconded those motions. The motions generally passed with unanimous support.

Second, Mr. Hull’s documents also allege SBHE meeting agendas did not give proper notice that second readings would be waived. A review of the agendas, however, shows that they announced policy changes would be introduced and final action would be taken on them at the meetings. In other words, the agendas gave notice that there would not be second readings. Even if the agendas had not provided this information, there would not have been a legal violation because the open meeting laws allow for such flexibility. N.D.C.C. 44-04-20.

E. SBHE Delegation of Authority

The former General Counsel alleges that the Chancellor recommended – and the SBHE conceded – that the Chancellor have policy-making authority and that this constitutes a legal violation. The allegations are not accurate. In both the original and revised (September 2012) versions of SBHE Policy 304.1, the Chancellor may recommend policy changes to the Board, but the Board retains authority to make policy. Paragraphs 2(e) and 3(b) of the policy address this. As the “CEO” of the system, however, the Chancellor does have responsibility for implementing the SBHE’s policies.

The minutes of the September 26, 2012, meeting say the SBHE “authorize[d] [the Chancellor] to make all changes necessary to align SBHE policies and NDUS procedures consistent with the [Pathways] plan.” The SBHE has the authority to delegate authority to the Chancellor under the state constitution, and, during the September 26, 2012, meeting, all Board members voted unanimously to carry the motion granting the Chancellor authority to carry out the Pathways plan. Nonetheless, the Chancellor has not adopted any policies. Instead, the Chancellor and the SBHE have asked NDUS office personnel to develop policy
recommendations for the SBHE on a variety of issues, and the SBHE has requested a comprehensive review of the system’s policies. There has been no legal or policy violation.

F. Letters from Grant Shaft re: Communications with SBHE Members

The unattributed outline alleges that SBHE member (and former president) Grant Shaft distributed a “directive” that “directed all communications to follow chain of command through the new Chancellor” and that SBHE members have been “rebuked” for talking to campus representatives. The outline also says the directive “bypassed campus Presidents” and were “distributed directly to campus faculty and staff.” None of these is a legal issue, but I address them because the relevant documentation was readily available.

I obtained copies of two letters from Mr. Shaft addressing communication channels; one addressed to campus presidents and the other addressed to campus communities. They were prepared in June 2012 and are attached. I find that the allegations misrepresent the letter to the campus community, and the author of the outline was perhaps unaware of the letter to the campus presidents. For example, contrary to the statements in the outline, Mr. Shaft’s letter to presidents states: “Out of our deep respect for you as our university and college presidents and your responsibilities for your respective campuses, we desire to keep you fully informed of these changes.” Additionally, the letter states: “We want to be clear that we are not intending to distance ourselves from you, but the structure of our formal relationship is changing.” Similar statements were made in the letter to the campus community. The changes in reporting structures were characterized in Mr. Shaft’s letters as a reversion of the SBHE to its traditional and appropriate role as policymakers rather than executive administrators. Establishing clear communication channels and roles is essential to any organizations, and I find no policy or legal violation in these letters.

G. Cabinet Meeting

The unattributed outline alleges that a campus president was “threatened with his job for what he said” at a recent cabinet meeting. SBHE members had heard this rumor previously and identified the president at issue for me. After speaking separately with that president and the member of the SBHE who allegedly threatened his job, I learned that the two of them jokingly bantered after the cabinet meeting about the president’s willingness to be the first person to raise a concern at that meeting. The president assured me that he in no way felt his job was threatened. To put aside any third-party concerns about the conversation, however, the president and I exchanged emails after our telephone conversation, and I have attached those emails. I found no legal violation in my investigation of this allegation.
H. NDUS IT Building

Mr. Hull's documents include emails, a letter from President Robert Kelley and a draft floor plan related to the shared meeting space informally named the "Chancellor's suite" in the NDUS IT building being constructed in Grand Forks. This issue was thoroughly vetted in a legislative hearing earlier this year. One of the concerns raised prior to that hearing was whether the SBHE needed legislative approval for the changes to the interior space that were planned. The SBHE did not find a legal requirement for such legislative approval, and the legislative committee that conducted the hearing specifically said the same. I found no legal or policy violation related to this issue.

I. Chancellor's Resume

Mr. Hull's documents contained a newspaper article from California alleging that the Chancellor misrepresented his involvement in the construction of a building for the California State University, Stanislaus. This issue too has already been publicly resolved. The Chancellor wrote a response to the article, and his response was published in the same newspaper. Reading the two articles and the Chancellor’s application materials submitted to the SBHE, it is clear he did not misrepresent his accomplishments.

Marvalene Hughes, the author of the first article, confused her facts. She alleges the Chancellor took credit for securing funding for a "Science Building" that housed laboratories for the school and was eventually named after a Mr. Naraghi. The Chancellor, however, did not claim to secure funding for that building. Rather, his resume states he secured funding for the renovation and upgrade of the 50,800-square foot "Science I" building at the campus. The Science I building is not the laboratory building named after Mr. Naraghi. The Chancellor’s resume also states he "completed" the 115,000-square foot sciences laboratory building because he oversaw the completion of the building’s construction.

V. Conclusion and Next Steps

I have found no willful violations of policy or law in my inquiry into the allegations brought forth by Mr. Hull. I found one meeting for which open meeting requirements should have been followed but were not. I recommend the SBHE immediately provide an agenda and minutes for that meeting. I will continue to analyze the other potential violation of open meeting laws noted above to identify whether any corrective action needs to be taken. I also recommend the SBHE evaluate its committees and direct the development of guidelines for open meeting compliance to ensure its practices are appropriate and consistent. Going forward, I would again like to encourage NDUS personnel and SBHE members to raise any legal and policy concerns to the appropriate individuals at the NDUS office or SBHE so we may deal with them effectively and appropriately.
Tony,

What Pat describes below is accurate. I have attached copies of the items from the Chancellor's calendar as well as a copy of Pat's memo regarding open meetings that was a part of the September 6 SBHE meeting materials. There are severaIther things I would add to the list. Below are a few.

In the November 15 meeting materials there is a memo from the Chancellor regarding an Exec. Committee recommendation to elect Kari Reichert as the Exec. Sec. to the SBHE. The memo is dated November 5. I would question how and when the Exec. Committee came to agree on that recommendation. The first time the subject appears on an agenda is November 15 and it was not discussed at any other Exec. Committee meetings that I was a part of. I believe the meeting materials were posted to the Web on November 8, it may have been a day or two later, but yet the memo is dated November 5. As the Secretary to the Exec. Committee, to my knowledge the Exec. Committee did not meet between September 26 and November 15. From what meeting did the recommendation originate?

After the hearing on the IT building, February 7, SBHE members Espegard, Shaft, and Diederich unexpectedly attend the Chancellor's Cabinet meeting. Presidents were not notified of their attendance prior to the meeting and senior staff was directed not to attend. My understanding is the discussion included issues between the presidents and the chancellor. Board members were told that there is no trust between the presidents and the chancellor and regaining that trust is most likely not probable. The response from member Shaft was repeatedly, "Ham is our man."

Speaking of the presidents, there was a Chancellor's Cabinet meeting scheduled for December 8(?), immediately following the Governor's budget address. Presidents have been directed, in no uncertain terms, that they are to attend Cabinet meetings in person, by phone is not allowed, and sending a campus representative is not allowed. The cabinet meeting was scheduled for 11:30 a.m. and all presidents were in Bismarck to attend. The Chancellor cancelled the meeting at 10:00 a.m. that morning. As we discussed, he has no regard for anyone's time or resources but his own.

This weekend NDSA approved a vote of no-confidence regarding the chancellor. On Sunday, February 24, The NDUS Office sent out a press release signed by Espegard, Shaft, and Diederich stating, "As the current president, vice president and immediate past president of the State Board of Higher Education, we are disappointed in the recent resolutions of the North Dakota Student Association. The Board remains in full support of the policies adopted by the Board and implemented by Chancellor Shirvani. The Board hired Chancellor Shirvani to assist the Board in implementing reforms to the University System with the intent of elevating the quality of the overall system while focusing on greater accountability and efficiencies. Chancellor Shirvani has worked tirelessly to engage all of our constituencies with a passion that has been absent for some time. In a very short period of time, Chancellor Shirvani's leadership and knowledge have aided the Board in addressing problems that have plagued the Board for many years. In carrying out our overall policies, directions, and agenda he has worked arduously and with dedication to make North Dakota's colleges and universities into a student-centered and mission-driven system." I question when the NDSA resolution was discussed by the three members signing the statement, and when the full SBHE discussed their continuing support of the Chancellor contained in the statement.
Pat, if I've stated anything inaccurately, please feel free to correct me. Tony, if you have any questions, please feel free to contact me. You have my number (333-9657).

**Erika**

*From unto those to whom much is given, much is expected.*
Luke 12:48

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**From:** Pat Seaworth <hpseaworth@hotmail.com>
**To:** inkwells98@yahoo.com
**Sent:** Monday, February 25, 2013 9:00 AM
**Subject:** FW: SBHE meetings

Erika,

This is the email regarding SBHE meetings I sent to Tony Grindberg. One item I left out is what happened when word of staff concern regarding apparent open meetings violations reached an employee in the NDUS office responsible for following up on reports of frauds or other unlawful or improper behavior and that employee attempted to investigate as the employee was obligated to do under according to SBHE policy. As you know, Shirvani had a conversation with the employee and told her the complaints were not her concern and he directed her to drop the matter without investigating. This action by Shirvani is by itself a separate and additional violation of SBHE policy.

Pat
222-1365
426-8233

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**From:** hpseaworth@hotmail.com
**To:** tgrindberg@nd.gov
**Subject:** SBHE meetings
**Date:** Thu, 21 Feb 2013 10:38:08 -0600

Tony,

You asked me to forward to you information I have regarding SBHE meetings and apparent violations of open meetings laws. Here's a summary:

1. In separate conversations between July 6 and July 16, 2012 with three NDUS office employees and with approval of SBHE President Espedard, Chancellor Shirvani instructed employees to ignore open meetings laws and schedule a dinner meeting of six SBHE members in violation of applicable laws. Shirvani told Erika Lorenz-Perry to send invitations for a private dinner in Fargo to the voting members of the SBHE, excluding the student member and excluding the staff and faculty advisers to the SBHE (there were only six voting members at that time because one position on the SBHE was vacant). He explained he wanted to discuss his ideas and plans at the meeting. Erika expressed reservations and told Shirvani the meeting would be subject to open meetings requirements. Shirvani then went to a second employee and told her to send the invitations. A third employee (the immediate supervisor of the other two) got involved and had a conversation with Shirvani and attempted to explain that any conversation among a
quorum of the SBHE involving SBHE business is subject to open meetings requirements. Shirvani suggested sending the invitation to just four members to avoid open meetings requirements. The supervisor showed Shirvani a legal memo summarizing open meetings requirements and pointed to language stating four members of the SBHE constitutes a quorum under the open meetings law and that although SBHE members may attend a dinner or other social function, they may not take advantage of a dinner or other function to engage in conversation about SBHE business. She referred to language in the memo explaining such conversations are permitted only at a meeting open to the public. Shirvani replied he didn't care what the memo said. He then instructed the second employee to send the invitations for a private dinner described as a social function, even though he (and the SBHE president) planned to have Shirvani discuss his ideas and plans at the meeting. Two of the employees spoke to me and related to me what had happened, even though Shirvani had made it clear he didn't want me involved. Given these circumstances, I called the AG's office and spoke to Tom Trenbeath, who then related what I reported to the AG. The following morning, I and others had a meeting with Shirvani. At the end of the meeting, I told Shirvani I needed to speak to him regarding the dinner invitations. He appeared to be angry and very curtly told me "It's been taken care of." I asked what he meant and he said he had instructed Erika to post a meeting notice and agenda for the dinner. I then spoke to Erika who confirmed Shirvani had that morning told her to post a meeting notice with the Secretary of State. However, Erika informed me Shirvani also instructed her not to send or distribute the notice to anyone else even though the law requires distribution of a meeting notice and agenda to all organizations and individuals who request notice (the NDUS office has a list of organizations and individuals who have requested notice and agendas for all SBHE meetings). I went to Shirvani's office and told him we needed to distribute the notice to everyone on the list in addition to filing with the Secretary of State. Shirvani became extremely upset, said something like "I need someone who will help me do what I want to do, not create obstacles" and he started to usher me out of the office. I attempted to explain that nothing in the law prevented Shirvani from having private conversations with individual SBHE members or a couple SBHE members at a time, but he just glared at me without replying and stood at his office door until I left. Later, office employees reported to me that Grant Shaft had called Shirvani that morning, presumably after getting a call from the AG.
2. Shirvani and Espegard have continued to schedule dinner meetings of the SBHE, typically the evening before regular SBHE meetings. I advised Shirvani and staff that if discussion of particular topics or agenda items is planned at these dinner meetings, the items must be listed in the agenda distributed with the meeting notice as required in language in the open meetings law and clear intent of that law. Erika reported to me that Shirvani instructed her to ignore this advice and not list any agenda items for the dinner meetings, as he did not want to alert reporters or others about discussion items. Also, Erika advised me that Shirvani told her he did not want her to consult me or send SBHE meeting notices and agendas to me for my review (even though I was responsible for reviewing notices and agendas as SBHE counsel and secretary and had been doing so for more than 20 years). SBHE meeting notices and agendas have noted the dinner meetings but failed to note discussion of specific items at these dinner meetings. No reporters or individuals other than SBHE members and the chancellor show up for the meetings. Individuals who attend these dinner meetings have told me they discuss and reach consensus on regular SBHE meeting agenda items and other initiatives and proposals. I'm told that Shirvani and SBHE members understand that a reporter or anyone else who should show up at one of these dinner meetings must be allowed to sit in on the meeting, but if that happens, the plan is to avoid
discussion regarding sensitive items until the reporter or other individual leaves or postpone discussion to another time.

3. A NDUS employee told me Shirvani told the employee on September 5 he met with members of the SBHE executive committee the evening of September 4 to discuss the three tier plan (now called Pathways to Student Success). There was no notice or agenda. There are no meeting minutes. At this meeting, Shirvani and the members of the executive committee decided the SBHE would take final action approving the plan at a scheduled September 26 SBHE meeting, prior to disclosure of plan specifics. Shirvani and SBHE members agreed to have the SBHE take final action before the plan was fully developed and details were known so NDUS presidents, legislators, K-12 officials, parents, or others who might be concerned about the plan would not be able to organize opposition or discuss objections at a public SBHE meeting. Shirvani told other staff the plan was on a fast track for SBHE approval in September in order to limit opportunities by NDUS presidents and others to "nitpick" the plan. NDUS staff and others informed Shirvani they were hearing complaints he was moving too fast without an opportunity for consultation and feedback from presidents and others but he ignored those comments. During this time, Shirvani was telling K-12 officials and others that there would be opportunities for input before the plan was finalized. For example, on or about September 20, 2012, Shirvani sent a letter to Jack Maus, Grafton school superintendent and member of the North Dakota Studies Council who had written Shirvani to express concerns regarding lack of K-12 involvement in developing the plan, stating such concerns were "foremost among our intentions as we designed our initial draft" and indicated there would be an opportunity for discussion at a planned October 10 meeting.

4. At its September 26 meeting, the SBHE on Shirvani's recommendation passed a motion approving the Pathways to Student Success plan, with little discussion (the student member made a motion to postpone action to a subsequent meeting to provide opportunity for student and other input but the motion died for lack of a second). The meeting agenda did not include notice that SBHE action on the plan was on the agenda (the agenda did include an agenda item mentioning an update or report on the plan). The plan distributed to the SBHE at that time was a broad outline without details.

5. The September 26 SBHE motion approving the chancellor's recommended plan included language delegating full authority to the chancellor to implement the plan, develop details and amend or adopt policies and procedures. Shirvani had staff draft a recommended motion prior to the meeting. Although Shirvani instructed them not to send anything to me, I received a copy of the draft and was concerned about delegation of policy making authority. Earlier, Shirvani had told staff of his intent to have the SBHE delegate to him authority to amend or adopt SBHE policies. I had had two conversations with Shirvani attempting to explain that SBHE policy delegated authority to the chancellor to adopt implementing procedures or regulations but the SBHE reserved policy making authority to itself. Further, I attempted to explain to Shirvani that legislative or policy making authority was a fundamental constitutional responsibility of the SBHE and, although the state constitution says the SBHE may delegate powers to the commissioner (chancellor), who is the SBHE's chief executive officer, the intent is that the SBHE delegate executive power or management and operational duties, not authority to amend or adopt legislation or SBHE policy. Further, I explained concerns Related to how the chancellor may approve implementing procedures outside of public meetings while the SBHE may act only in public meetings following public notice. The chancellor ignored me. When I saw the draft motion, I edited it by substituting chancellor authority to adopt implementing procedures and
recommend necessary policies and policy amendments to the SBHE. At the September 26 meeting, the chancellor presented his recommended motion to the SBHE and the motion included delegation of policy making authority. I understand the chancellor had a conversation prior to the meeting with the SBHE president (and perhaps other SBHE members) about me and my objections to the motion.

(Note: Previously, the chancellor informed staff that he would be the only one presenting or speaking at SBHE meetings, except for an occasional item for which he would ask staff to present something he had previously reviewed and approved. I wasn't told this, but the chancellor intended these rules to apply to SBHE general counsel, and beginning last fall the chancellor presented and explained all recommended policies and policy amendments, even though I had been doing that as SBHE counsel as prior legal counsel had done before my time (much like legislative counsel staff often is asked to summarize bill drafts or amendments at legislative committee hearings). So, Shirvani was presenting all policies and amendments and the SBHE president would ignore me during the presentations. Also, in or about September the chancellor told another NDUS employee that he and I weren't "clicking" and he needed someone who would help him do what he needed to do instead of creating obstacles. It is interesting to note that from July 1 to October, I had very few conversations or meetings with the chancellor - perhaps a half dozen - and almost all of those conversations concerned open meetings concerns or concerns regarding delegation of authority by the SBHE to the chancellor. The longest meeting I had was a September 10 meeting to review final drafts of the policies delegating additional authority to the chancellor regarding hiring and firing of presidents, chancellor and presidents' contracts, etc., when I expressed concerns and attempted to persuade the chancellor to not proceed with recommended language delegating full authority regarding presidential searches, taking away job protection for presidents and removing ability of the SBHE to terminate the chancellor's contract without cause, etc. Even though the chancellor told legislators and others as far back as April of his intent to get rid of me and vice chancellors, and although he told SBHE members that his reason for wanting me and Mike Hillman gone was because legislators didn't like us - or couldn't stand us - it is pretty clear that my actions during July - September and my intervention to prevent open meetings violations and attempts to prevent or at least slow down SBHE action delegating too much authority to and concentrating too much power in the hands of an egomaniacal chancellor precipitated the decision to force me out. BTW, are you one of the legislators to whom the chancellor referred?)

6. In addition to the September 4 meeting, the chancellor has had numerous other private meetings or telephone conversations with two or more members of the SBHE executive committee, apparently in violation of open meetings laws. Policies the SBHE adopted last fall delegated broad authority to an executive committee consisting of four SBHE members to review and make recommendations to the SBHE regarding budget, policy and a whole host of other matters. When I drafted the policies (based on direction from the SBHE and Shirvani) I advised Shirvani and SBHE President Espegard that adoption of the new policy relating to the executive committee would significantly restrict ability of the SBHE president to have private conversations with the SBHE Vice President and other members of the committee. Previously, before establishment of the executive committee, the SBHE President was free to have private conversations with the Vice President or any other two SBHE members regarding most SBHE business (excluding conversations involving two or more members of previously established SBHE committees regarding business of those committees). A SBHE committee is subject to the same open meetings requirements that apply to the SBHE. If a committee has four or fewer
members, two or more members may discuss committee business only in public meetings following required notice and posting and distribution of meeting agendas (if a committee has five members, two of the members - but not three or more - may have a private conversation regarding committee business). I told both Shirvani and Espegard that if the SBHE adopted the draft policies, it would be unlawful for two or more members of the executive committee to have any private conversation regarding any executive committee business, including items on a scheduled committee meeting agenda or items required or expected to be on the executive committee meeting agendas according to the policy. Also, it would be unlawful for the chancellor to have any telephone or other private conversation with two or more members of the executive committee regarding executive committee business. I advised Shirvani and Espegard (and NDUS office staff) that we should either revise policy language to limit executive committee responsibilities or the chancellor and executive committee members would need to avoid conversations involving two or more executive committee members regarding executive committee business. Shirvani and Espegard ignored my advice. Both of them told other SBHE members that my advice regarding open meetings requirements could be ignored, even though I submitted to the AG's office for prior review the legal memo summarizing open records and meetings requirements I distributed and reviewed with all SBHE members and even though both Espegard and Grant Shaft have called the AG's office regarding my advice and the AG or other staff informed them my advice was correct.

7. On Monday, October 29, Shirvani had a scheduled telephone conference call with executive committee members regarding the Pathways to Student Success plan and possibly other executive committee and SBHE business. I understand the conference was on Shirvani's calendar and identified as a meeting of the executive committee. There was no notice or agenda and there are no minutes of this meeting.

8. NDUS employees have heard Shirvani comment about other telephone conversations with two or more executive committee members that they weren't aware of.

9. According to reports from other SBHE members, SBHE President Espegard frequently calls them to discuss SBHE business or to persuade them to agree to something and he mentions in these conversations phone calls regarding the same topic to other SBHE members. Espegard has recently made public comments claiming the SBHE supports or agrees with something even though there is no record in SBHE minutes of SBHE discussion and or action. I am told that if someone were to review Espegard's private phone records, one would find numerous calls to several SBHE members (or sometimes all members) made in close proximity.

As always, don't hesitate to contact me if you have any questions.

Pat Seaworth
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<td>9 am</td>
<td>Cabinet Meeting</td>
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<td></td>
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<td>Travel to Fargo</td>
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<td>Meet with President Haugen</td>
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<td>Board and Senior Staff Members to Meet</td>
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<td>Dale Wettie Radio Interview</td>
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<td>26 Feb</td>
<td>11 am</td>
<td>Scott Herron Show: Press Room Ground Floor</td>
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<td>Tentative Chancellors Cabinet Conf Call</td>
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<td>Toasted Frog</td>
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Hamid Shirvani Interview

Consultant advice

There were some practices that the system people didn’t like, he tried to fixed it, but stirred up a hornet’s nest

There was a vote of no confidence from faculty, but system and community thought he did what he was supposed to do.

He works well with local legislators, but hasn’t worked with statewide leaders.

High staff turnover—he has high expectations, but may be an issue to consider

Has a mix of urban and rural experiences

Changes he makes tend to be successful: collective bargaining problems have settled down now.

References like that he is students first, and does well with the poor economy he has faced.

He tried to demote a president to provost when he came early. Tried to do everything himself.

Thursday said that the students voted him the best president two years even when battling faculty.

He did bring Sarah Palin to campus to fundraise, some on campus did not approve of the political part.

Cal Tech system has 11 unions on campus, and siding with one causes the others become jealous.

The Cal system is very well run, and he has seen a successful chancellor.

Why are you interested in this position?

Immigrant and architect-born in Iran and educated in UK.

First generation college student, and worked 30-40 hours per week and going to school

Compares building the system to building a bridge

Has worked in 5 university system. Worked in one system similar to NDUS
Fundraiser, and worked with legislators. Considers parents and public as clients, and students as part of the team.

What kind of relationships between chancellor and presidents?

He has worked in 5 university systems and understands that each campus has its own specific role, and characteristics, each campus will contribute to the system as a whole. Don’t treat institutions as bank branches.

Chancellor should not micromanage the institutions

Has read the SBHE strategic plan

Speak on the vote of no confidence

It was an unfortunate situation. The primary reason was he had to make a right decision for campus and students-budget cuts (20%), and that the policy would have the staff cut automatically. It was costing the system and state, and several presidents tried to be fixed.

He tried to respect the system, but the buck stops at his doorstep.

Does the right thing, even if it costs him

Things have changed, and things are going pretty well-the cost for making the decision

Faculty Retention

Would rely on education, and presidents educating him on their campuses goals and aspirations

He is supportive that faculty is the heart and soul of higher education.

With budget cuts in California, they are still hiring full time faculty. They will be getting mid-year cuts at his current institution.

Provide experiences where had to make efficiencies.

He believes that technology is part of what makes the campus efficiency

They have people soft software

They are trying to do as much as possible and are just hiring consultants, but not a lot of new permanent people.
Has a student LMS that they are working on. Used E College and now ramping it up.

Has issues with retention and recruitment-is an efficiency issues.

Looking for iPhone application so students know which courses they should take.

What opportunity do you see for cross campus collaboration with software? Currently working with Fresno State and Bakersville and is working on synergies.

Telephone system is centralized in Sacramento. Working on travel and other reimbursements.

Gets 3-4 campuses together and buy products at discounted rate.
Online education: sharing networks from Fresno State
Has a committee that will be finding more items.

Student Recruitment
Retention is an efficiency.

His institution has been recognized for best retention and graduation practices.

Has one of top 3 graduation rates in California system.

Making sure advising, support systems, and offering students the courses they need and want
Not one shoe fits all.

He would travel all over the state (not at one time). Will be in high schools, middle schools, churches, to encourage more students to take.

He also said the adult students need to be brought into the colleges.

More AP courses and dual credit classes.

What is relationship between board and chancellor?
The board is the boss and he will keep board informed about everything that is happening: what’s on his mind, ideas, projects. No surprises with the board. Don’t want surprises, don’t want to give surprises.

If board supports, will need support from them.

How would you respond to workforce needs? (low unemployment)
Many issues that the chancellor's office would need to work on: Retention, recruitment, partnerships, and professional training. He is glad that 2 year institutions help with workforce training, in STEM.

What kind of needs will the future workforce need?

In ND it would be wonderful to work with the businesses.

How to address concerns of taxpayers of whether international students are staying? They pay a higher tuition, presumably.

About 1/3 of students that graduate from an institution stay in the community. The rest that leave, there is a better relationship abroad that helps build international business partnerships.

He believes that there would be profits for the states.

The more that he reads about ND, he believes that the international students would promote the institutions internationally.

What is you past experiences in working with the legislature?

He does have extensive relationships with legislators and U.S. Representatives.

He is used to lobbying with other presidents and working with the Chancellor to set lobbying agenda.

Was given $20 million for his college to renovate—even with budget cuts, proves he can lobby effectively.

Legislators have a memory span of 20 minutes according to Dr. Shrivani.

Needs to also lobby the legislature indirectly by telling the public about all that is good in higher education.

Has done lobbying to get money from the Department of Agriculture for some farm stuff.

Budget experience

He loves numbers, and never does anything without them (engineering background).

Has $5 million structural deficit and enrollment was going down when he arrived. He made budget cuts, and has $5 million in reserves, healthy financial status, academically sound and solid. Now is 11.2% increase in enrollment. May need to bring enrollment down.
Each institution put a budget together, and then submits it to the chancellor-negotiation for that budget. Then all presidents required to lobby the legislature to get the budget

Higher education is an investment, not an expensce.

Could you give specific examples where you have addressed growth that comes from duplication of degree programs across the state? What experiences have you consolidated services?

Started career in a research university and has been a dean of a research institution. His school does some research right now.

There is a loss when there are faculty that have a class, then have only four students arrive, and cancel class without teaching another class.

For instance, a physics department with 8 tenure professors and 10 majors, there is a disconnect. He realizes it’s a president rather than a chancellor’s role.

Experience with 2 year colleges

He was a part of a consortium that had representation from two year institutions.

Not many articulation agreements or guidance systems for students. Now 95-98% that apply from community colleges now qualify for admission.

Most people that build porches have 2 year degrees—would be especially supportive with oil and gas boom in ND.

Questions for the committee?

He will wait until a later opportunity to ask questions for the committee.

Who are 2 or 3 mentors in your life?

One was a provost that he worked for as a dean

His current chancellor-unique individual

His hero for president is Steve Sample
He has learned to be honest, be straightforward, be realistic, try to listen, don't make judgments about individuals and projects very fast. Also, do your best, follow your intuition.
January 12, 2012

Dr. James McCormick, Senior Consultant
AGB Search
1133 20th Street N.W., Suite 300
Washington, D.C. 20036

Dear Dr. McCormick,

Thank you for your kind invitation to be considered for the position of Chancellor of the North Dakota University System. Following our conversation, I am pleased to submit my resume for consideration.

This position is of particular interest to me because the North Dakota University System is a mature and diversified system that has made a strong commitment to providing innovative and quality lifelong learning opportunities to its diverse communities. The NDUS is a unique system that balances technical/professional training and intellectual inquiry with innovative program models designed and taught by well-respected and internationally recognized faculty. The NDUS also produces graduates who have the capacity to become movers and shakers within their communities and beyond. This position dovetails completely with my own interests and strengths, specifically in the system’s focus on the primacy of lifelong learning and its commitment to developing talent within the various regions served while also serving society at large. In addition, I have traveled extensively in both my current and previous positions and I would very much enjoy the travel involved in visiting the NDUS campuses.

Over the course of my career, I have worked at five university systems, three of which are the largest in the country and two are Research 1 universities. Thus, I have extensive experience with different models of university system management, which have given me a depth and breadth of experience that would enable me to serve the North Dakota University System quite well. I also believe that I could bring distinct skills to this position, given my own multicultural and interdisciplinary background and my experience leading both public and private institutions. I am intrigued by the opportunity to provide leadership to an institution that shares the fundamental values of integrating teaching, research, and scholarly activity in an environment where all students have the opportunity to learn and succeed.

As my resume indicates, I have worked at universities of various sizes, public and private, research and comprehensive. My senior leadership experience spans 24 years and is both broad and deep in academic and financial planning. In leadership positions at both public and private institutions of widely varying size, I have managed growth, guided the development and transformation of academic and research programs, spurred the diversification of the makeup of the institutional community at all levels, raised substantial funds (more than $44 million in five years at Queens College and $112 million at California State University, Stanislaus), helped expand research programs, and overseen the construction of educational and research facilities. And, as a result of my close interaction and personal contacts with key legislators, I recently secured $18.5 million in capital funds for CSU Stanislaus to renovate and modernize a science classroom building; my proposal was one of only three approved by the California legislature. In addition, my efforts and commitment to a student-centered environment led to my having been selected twice in six years by the system-wide (23-campus, 450,000-student-body) California State Student Association as the President of the Year (2007 and 2009).

At CSU Stanislaus, upon my arrival as the new president, I was faced with declining enrollments, more than $5 million of structural deficits, and a variety of programmatic and personnel issues, the majority of which have been addressed as evidenced by an 11.2% increase in enrollment just this past year and more than several million dollars in reserve, even in the face of significant budget cuts imposed by the State. Nevertheless, I would be remiss if I did not make you aware that, following my efforts to resolve these multi-layer complex issues that had accumulated over many years, four years into my presidency at CSU Stanislaus the faculty senate executive committee pushed forward a vote of no confidence that was essentially grounded in two very hard decisions that I had to make and for which I take full responsibility.
The first pertained to the severe state mandated budget cuts and the second involved conversion of a costly 4-1-4 calendar (known as Winter Term) to a more traditional semester system. However, I am pleased to report that the past few years have been transformational as faculty and administrators came together to focus on identifying the major issues that need to be addressed and on building a collaborative partnership based on shared governance.

Based upon my understanding of the challenges facing the North Dakota University System, I believe my experiences serving as the public face of an institution to the media and to its many communities will prove vital. At CSU Stanislaus, I have been an active presence in the community and have regularly submitted opinion pieces to the local media. Similarly, my record in fund-raising, my experience addressing student service, retention, and diversity issues, my strong interest in developing flexible program delivery models and expanding access to online programs, my wholehearted commitment to the promotion of STEM programs and to the expansion of research programs that address state needs, and my direct interactions with various governing boards (public and private), community and business leaders, and with elected officials at the local, state, and national levels, can make a critical difference in building on the current strengths of the NDUS and positioning the system for continued growth and advancement.

I believe that the North Dakota University System requires nurturing and building by someone who can establish strong connections to the many businesses and corporations within the diverse communities it serves; someone who can advocate for greater recognition of the value that the university system brings both within the state and nationally. I also believe in the strength that comes from having an overall university system identity, while at the same time allowing each campus the freedom to emphasize their unique attributes and areas of excellence. Coming from a smaller campus within a 23-campus system, I truly understand the importance of allowing each campus to operate without undue influence or direction from a system office. Each campus must meet its mission in ways that address the distinct needs of the communities being served, and the campus leaders are in the best position to define the needs and program goals for their respective institutions. At the same time, I recognize the value of having broad, clearly defined system goals that are aligned with campus goals and designed to take advantage of the economies of scale and synergies afforded by being part of a larger university system.

An architect by training, I have been taught to examine how a community functions in order to create a design that will serve both the practical and visionary components of that community’s life. As a builder of organizations, I believe the same principles apply. A university is a human organization that must meet the practical needs of today while moving toward a coherent vision of the future. Fulfilling that vision requires an inspirational leader—one who brings the energy and optimism, the faith and the desire to propel the institution forward and to make the world a better place. I would welcome the opportunity to discuss how my experience might serve the distinguished history and exciting communities of the North Dakota University System as it pursues its noble and ambitious goals.

Regards,

Hamid Augustine Shirvani
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Turlock, CA 95382
209-277-6602
hashirvani@gmail.com
Hughes: Don't let Shirvani take undue credit

By Marvalene Hughes

I read your recent articles "Shirvani buyout proposed" (Feb. 7, Local News) and "Shirvani makes friends, influences folks in N.D. (not)" (Feb. 9, Opinion). The public deserves accurate information about the buildings at California State University, Stanislaus, including the Science Building which was in question.

In fall 2005, shortly after his arrival, I received several calls indicating that Hamid Shirvani was promulgating false information and alleging he was responsible for funding and construction of the Science Building.

Before I departed in July 2005, the following had occurred:

Funds for the Science Building were granted by the state in 2003-04. The CSU board of trustees approved the plans in 2004. The science faculty worked diligently collaborating with architects to design their building. They desired to present the first Gold LEED Certified building in the CSU system, but this would have required considerable private funding. We settled for the Silver LEED certification, signaling our commitment to environmental standards.

In early spring 2005, we scheduled two celebrations on the same day: the naming of the Bill and Dorothy Bizzini Hall and the groundbreaking ceremony for the Science Building. Construction of the Science Building began in spring 2005.

I began cultivating the Naraghi family to name the Science Building in honor of their father. The son believed the Science Building was an appropriate memorial to honor their father and agreed to provide funding.

Ham Shirvani had nothing to do with raising funds for the structure, selecting the architects and coordinating the science faculty. It was probably necessary for him to continue to cultivate the Naraghi family.

When we celebrated the commencement in May 2005, the frame of the Science Building loomed over the other buildings. Shirvani only observed the construction of that building.

Briefly, I will highlight other buildings constructed during my presidency:

The Professional Schools Building was the first new building initiated under my presidency. Concurrently, because of the creative use of soil needed for the Professional Schools Building, we acquired soil by digging a refined amphitheater in lieu of purchasing soil. This created many beautiful lakes around campus extending past the Music Building and Recital Hall.

The next building was the Mary Stuart Rogers Building, funded by the state and named for a deeply admired community leader, Mary Stuart Rogers, the mother of John Stuart Rogers.

An additional building that followed was the John Stuart Rogers Faculty Development Center, funded fully by the Mary Stuart Rogers Foundation.

The last building constructed, the Flora and Bernell Snider Recital Hall, was funded by Flora and Bernell Snider and inaugurated by the late renowned pianist, Van Cliburn.

Finally, we remodeled the sports recreational facilities for baseball, softball, track and field, and the gymnasium.

This chronology is offered particularly in response to numerous requests and inquiries from Foundation and Advisory Board members, faculty, students, staff and members of the community who were disturbed by the unfortunate misrepresentation regarding the buildings. I was consumed by demands created by Hurricane Katrina that destroyed the Dillard campus in New Orleans and could not respond sooner.

The lack of ethics, honesty and integrity exhibited by Shirvani was disappointing in these transactions.

Hughes was president of California State University, Stanislaus, from 1994-2005 and president of Dillard University from 2005-2011. She has returned to live in Modesto.

SHIRVANI STILL HAS HIS JOB
To bring readers up to date on Ham Shirvani's status in North Dakota: In late February, the state Senate rejected a proposal to buy out his contract as chancellor of the state university system, which has 48,000 students on six four-year universities and five two-year colleges, according to The Associated Press.

Also, the North Dakota Student Association expressed a vote of "no confidence" in Shirvani. The Board of Higher Education — which hired Shirvani — issued a statement expressing disappointment in the students' action and saying "the board remains in full support of the policies adopted by the board and implemented by Chancellor Shirvani."

— The Editor

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Phone: (209) 578-2000.

MEMORANDUM
August 27, 2012

FROM: Pat Seaworth, General Counsel
RE: North Dakota’s Open Records and Meetings Laws

North Dakota’s “sunshine” laws, or laws providing public access to public records and meetings of government bodies, are among the broadest of any state in terms of guaranteeing public access. This memorandum discusses North Dakota’s open records and meetings laws and application of those laws to the North Dakota State Board of Higher Education (SBHE) and the North Dakota University System (NDUS).

Overview

Except as otherwise provided by law, all recorded information of any kind, related to public business that is created, received or maintained by SBHE members or NDUS officers or employees, is open to the public. Limited exceptions are narrowly construed.

Unless otherwise provided by law, all SBHE or SBHE committee meetings, including meetings conducted by phone or other means, must be open and accessible to the public. Advance notice and posting and distribution of meeting notices and agendas are required. Although three or fewer SBHE members may discuss SBHE business privately, a series of two or more private discussions, each involving three or fewer members but in total involving four or more members and held for the purpose of avoiding open meetings requirements, violates the law. If a SBHE committee consists of four or fewer members, the committee members may not discuss committee business, except in a public meeting (two members of a five-member committee may have a private discussion regarding committee business, provided the discussion is limited to the two members and there is not another discussion or series of discussions involving a third member on the same topic). Use of email or other electronic transmissions (or any other form of communication) involving four or more SBHE members or one-half or more committee members to discuss SBHE or committee business, reach consensus, etc. is prohibited.

Any interested person may file a complaint or request an opinion of the attorney general regarding compliance with open records and meetings laws. The attorney general may refer for criminal prosecution any public official found in more than one AG opinion to have violated open records or meetings laws.
Open Records and Meetings
August 27, 2012

Public Records

N.D. Const. Art. XI, § 6 states:

Unless otherwise provided by law, all records of public or governmental bodies, boards, bureaus, commissions, or agencies of the state or any political subdivision of the state, or organizations or agencies supported in whole or in part by public funds, or expending public funds, shall be public records, open and accessible for inspection during reasonable office hours.

The term “record” is broadly defined to mean:

Recorded information of any kind, regardless of the form or characteristic by which the information is stored, recorded or produced, which is in possession or custody of a public entity or its agent and which has been received or prepared for use in connection with public business or contains information relating to public business.

NDCC § 44-04-17.1(15).

The law is construed liberally in favor of the public’s right to access. Absent a specific statutory exception, all records (including computer records and recorded information in any other form) in possession or custody of an employee or agent, which has been received or prepared in connection with public business, are open to the public. Access or copies must be provided upon request, within a reasonable time. If a request is denied, the denial must be in writing and describe the legal authority for such action.

SBHE Policy 1912 provides guidance regarding application of the state’s open records laws to the NDUS and includes a partial listing of records categories that are confidential or exempt. The policy references the federal Family Education Rights and Privacy Act (FERPA), which requires that all institutions that receive federal funds (including student financial aid) adopt and enforce policies keeping student records confidential. Excluding student directory information (name, address, age or date of birth, major field, etc. as defined in NDUS Procedure 1912.2), all student records are confidential. With limited exceptions, student information may be disclosed only with a student’s written consent. Students have the right to instruct institutions to not release directory information and if a student exercises this option, that student’s directory information is confidential.

The SBHE may adopt rules to protect the confidentiality of student records, medical records and trade secret, commercial and financial information. NDCC § 15-10-17(7). Employee medical records, financial institution and retirement account information and social security numbers are confidential. NDCC §§ 44-04-18.1 and 44-04-28.
Open Records and Meetings
August 27, 2012

Trade secret, proprietary and certain financial information (as those terms are defined in state law) are confidential. NDCC § 44-04-18.4. If an institution has a campus police department, some law enforcement records are confidential and other law enforcement records may be withheld from the public pending completion of investigations or criminal proceedings. NDCC. §§ 27-20-52 and 44-04-18.7. Computer passwords and security information are confidential. NDCC § 44-04-27.

Unlike most states, North Dakota does not exempt from open records laws public employee performance evaluations and most other information in personnel files. Public entities may withhold “personal” employee information, including home addresses and phone numbers, identifying information about dependents and emergency contacts, and payroll deduction information. NDCC § 44-04-18.1. NDUS Procedure 1912.3 governs disclosure of employee personal information and states that an employee home address (including e-mail address), home telephone number and photograph may be disclosed, unless an employee has requested that such information not be released. Other employee personal information may not be disclosed, except as required by law, a court order or subpoena or in connection with an emergency. Upon an employee’s request, a home address or phone number (including emergency contact information provided according to NDUS Procedure 1902) shall not be disclosed. There is no exemption for SBHE member information, including home phone or cell phone numbers (if a SBHE member wants to keep something private, the member should not provide the information or allow NDUS staff to record the information).

All records in possession of a search committee and its members or staff related to committee business are open to the public, as are records concerning the committee's work in possession of a private consultant or agent paid with public funds. If a government entity delegates a public duty to a third party, documents in possession of the third party connected with public business are public records. Forum Publishing Company v. City of Fargo, 391 N.W.2d 169 (N.D. 1986) (job applications in possession of a private consulting firm hired by the city to screen applicants for chief of police are public records). There are no exceptions for employment applications, reference letters, reports, notes or other records received or created by committee members or a consultant. Unlike many other states, North Dakota does not have an exception permitting candidates for chancellor or college president to request that their names not be publicly disclosed until the search has progressed to a certain point, such as when a committee interviews finalists.

Letters received by SBHE members or NDUS employees and copies of letters sent to private citizens by SBHE members or employees relating to public business are open to the public. The law applies to all correspondence, including e-mail, as well as personal notes SBHE members or employees may retain concerning SBHE or NDUS business.
Open Records and Meetings
August 27, 2012

Disclosure of reports and draft or working papers may be delayed. A record prepared at the direction of, and for presentation to, a governing body may be withheld from the public until mailed or provided to a member of the body or until the next meeting of the body, whichever occurs first. NDCC § 44-04-18(8). A preliminary draft or working paper may be withheld until a final draft is completed, the record is distributed to a member of a governing body or discussed by the body at an open meeting, or work is discontinued on the draft, whichever occurs first. Id.

Attorney work product may be withheld from the public. "Attorney work product" means a document: 1) prepared by a public entity's attorney or at the attorney's express direction; 2) that reflects a mental impression, conclusion, litigation strategy, or legal theory of that attorney; and 3) was prepared exclusively for litigation, or in anticipation of reasonably predictable litigation or adversarial administrative proceedings. NDCC § 44-04-19.1. The public has a right of access to these documents upon conclusion of the litigation or other proceedings. Id.

Some records of private foundations affiliated with NDUS institutions are subject to the open records law. If a NDUS institution delegates government functions to an affiliated foundation and there is not a law exempting the records or making them confidential, records of the foundation relating to that function are open to the public. (According to a 2006 attorney general opinion, the NDSU Research Foundation is subject to the state’s open records laws with respect to government functions delegated to the Foundation by NDSU. The opinion concluded government functions delegated to the Foundation included: managing NDSU intellectual properties; processing proposals for new businesses; processing patents, trademarks and licensing agreements; commercialization of research technologies; and managing NDSU intellectual property. N.D.A.G. 06-O-01 (January 9, 2006)).

NDCC § 44-04-17.1 includes within the definition of "public entity" organizations that have received public funds "exceeding the fair market value of any goods or services given in exchange for the public funds." If a NDUS institution provides direct support (including staff support) to a foundation that exceeds the value of goods or services the institution receives in exchange, records relating to foundation functions supported with public funds are subject to open records requests (whether or not the functions are delegated government functions). This result can be avoided with an agreement between the institution and foundation that describes and documents an equal exchange for value of services and benefits provided each other, as required by SBHE Policy 340.2. In addition, foundation employees should understand that foundation records sent to public employees in connection with public business and retained by the institution or institution employee are, unless governed by a statutory exception, subject to open records requests. There is an important exception in NDCC § 44-04-18.15, which provides that donor names and other donor information are exempt from the open records law.
Open Records and Meetings
August 27, 2012

A gathering of a quorum of a board or other group is subject to the open meetings law even if members merely listen and do not interact or participate in the discussion. Id. The open meetings law applies to a gathering regarding public business involving less than a quorum of the members of a governing body “if the members attending one or more of such smaller gatherings collectively constitute a quorum and if the members hold the gathering for the purpose of avoiding” the open meetings law. Id. In other words, members of the SBHE may not participate in a meeting or telephone call involving two or three members and a separate, second meeting or telephone call involving a fourth or additional members in an attempt to avoid open meetings requirements.

A meeting includes a “formal or informal gathering whether in person or through electronic means such as telephone or video conference.” NDCC § 44-04-17.1(8). Use of e-mail or other electronic means to evade the open meetings law is prohibited. N.D.A.G. 07-O-14 (December 5, 2007) (Mandan city commissioners violated the law by exchanging e-mail using a city e-mail listserv because a quorum of the commission communicated their positions on a matter pending before the city commission). Although staff may use a listserv to distribute information, members of a governing body may not use the “reply all” function or otherwise use e-mail to exchange views regarding public business with a quorum of the group. Assuming the members do not constitute a quorum of a committee discussing committee business, it is okay for two or three SBHE members to have a telephone conversation or exchange e-mail regarding SBHE business. However, SBHE members may not take advantage of e-mail from staff communicating information to engage in a discussion of SBHE business involving four or more members. Four or more SBHE members (or, for discussion of committee business, a quorum of a committee) may not use e-mail to discuss or exchange views regarding public business.

A member of a SBHE committee consisting of four or fewer members is effectively prohibited from discussing any committee business with another committee member at any time except in a public meeting. Accordingly, SBHE members who are members of a three or four-member committee or task force need to exercise caution in their private conversations with other members, being careful to avoid conversations with three or more other members about any SBHE business and also avoid private conversations about committee business with other committee members.

The open meetings law applies to any group of persons “acting collectively pursuant to authority delegated to that group by the governing body.” NDCC § 44-04-17.1(6). The law applies to a “task force or working group” created and formally appointed by an agency head if a majority of the members are not agency or institution employees. Id.

Absent legislative or SBHE delegation of functions to the group, the open meetings law does not apply to a group of employees. As a general rule, the law does not apply to the chancellor’s cabinet, presidents’ cabinets or councils or other groups of NDUS employees.
Open Records and Meetings
August 27, 2012

If the SBHE delegates a function to a group, the group is subject to the open meetings law. The SBHE has by policy delegated functions to institution faculty senates (or other faculty legislative body). When exercising delegated functions, these bodies are subject to the law. Other groups subject to the law due to SBHE-delegated functions include the College Technical Educational Council, the North Dakota Student Association, which sends the governor a list of nominees for appointment of the student member of the SBHE (and also is supported with student fees), and the NDUS Council of College Faculties and Staff Senate, which select the faculty and staff advisors to the SBHE.

State-level groups subject to the open meetings law must file notice of meetings with the secretary of state and post notices and agendas at meeting locations and organization offices. Minutes of all public meetings are required and minutes must include recorded roll call votes on all "nonprocedural" matters. NDCC § 44-04-20. Meeting notices and agendas must be sent to anyone who requests them.

A special provision applies to campus groups. Subsection 7 in NDCC § 44-04-20 states that in lieu of regular notice and filing requirements, campus groups may comply by simply filing in the president’s office contact information for a group representative that interested persons may contact for meeting information.

The chancellor (or other NDUS employee) may have private conversations about SBHE business with a single SBHE member. Subject to additional restrictions applicable to discussion about committee business, the chancellor may have a private conversation with as many as three SBHE members at one time. Likewise, a SBHE member may call (or e-mail) another member or two members to engage in discussion concerning SBHE business. A SBHE member may not privately discuss SBHE business with three or more other members (individually, in two or three groups, or all at once) in order to avoid public discussion.

The SBHE has limited authority to hold sessions closed to the public. NDCC § 15-10-17(1) permits executive sessions to consider the “appointment or removal” of presidents and other campus employees. This does not apply to the chancellor or other NDUS office employees and it does not permit discussion of other personnel matters; discussion must be limited to “appointment or removal.” Governing boards may meet in closed session for “attorney consultation,” limited to consultation with an attorney concerning pending or “reasonably predictable” litigation or adversarial administrative proceedings. N.D.C.C. § 44-04-19.1. Also, closed sessions are permitted when required to prevent the disclosure of confidential records. 2002 N.D. Op. Att’y Gen. O-4 (January 31, 2002). There are strict procedural requirements for closed meetings, and all such meetings must be recorded (the recordings are confidential, but the Attorney General has access to the recordings for the purpose of investigating compliance with the open meetings law).

HPS
TO: NDUS Presidents’ Assistants

FROM: Noah Brisbin, Special Assistant to the Chancellor

DATE: December 13, 2012

SUBJECT: 2013 State Board of Higher Education meetings – campus responsibilities

When hosting a Board meeting, campuses will be responsible for configuring the meeting room(s), meeting IT and technical requirements, and coordinating meals. Please find relevant details below:

**Hotel Accommodations**
A current list of preferred hotels is attached for your use. If you become aware of a more accommodating hotel for meetings at your campus, please contact Erika Lorenz at 701.328.4108 or erika.lorenz-perry@ndus.edu.

**Meeting Room Configuration**
The meeting room layout is also attached. The NDUS Office will bring a 6’ banner to hang on the wall or from the ceiling, whichever works best.

**IT/Technical Requirements**
Some IT/technical needs are standard from meeting to meeting, while other requirements will depend on the needs of the agenda, testimony, or other presentations. Standard room technologies for every meeting include:

- An IT person from your institution should be in the meeting room before the meeting starts to make sure everyone connects to needed networks. We will need to know if the wireless authentication checks against the NDUS active directory. We would also appreciate having a phone number to call in case a need arises during the meeting.
- Wireless internet access: most members of the SBHE, the NDUS presidents, and NDUS staff bring laptop computers or iPads to the meetings. Anticipate up to 40 people in attendance. Please be sure that the wireless network does not block access to the VPN.
- Power supply: we will need power outlets distributed around the room to accommodate 40 individuals.
- House audio: we will need an in-room PA system and microphones evenly distributed around the SBHE meeting table.

The NDUS office will inform you as soon as possible of any additional technical needs, including audio/video conferencing, projection, etc. Please have staff ensure that any technology
needed (i.e. laptops and projectors for presentations, wireless internet, conference phone, PA system) is fully functional well in advance of the meeting.

Events Coordination
Host campuses shall plan and sponsor the following events.
- The night preceding the meeting, there will be a dinner from 7 p.m. to 9 p.m. at a premier off-campus restaurant for SBHE members and the Chancellor only.
- The morning of the meeting, there will be a continental breakfast from 7 a.m. to 8 a.m.
- Committee meetings will take place from 8 a.m. until 11:30 a.m.
- There will be a social luncheon from 11:45 a.m. to 12:45 p.m.
- The Board meeting will start at 1:00 p.m.

The breakfast is for SBHE members, NDUS staff, and others who will be involved in the morning committee meetings. The social luncheon may additionally include presidents, campus personnel, local legislators, and community leaders.

Please be in contact if you have any questions.

xc: Jerry Rostad
    Duaine Espegard, SBHE President
Okay. Lori and Jenny can we connect Thursday?

From: Riedy, Joshua
Sent: Monday, December 24, 2012 4:18 PM
To: Behrens-Smith, Fawn; Lori Johnson; Lehn, Rich
Cc: Jenny Grant
Subject: RE: NDUS/UND IT Office - Executive Suite / Chancellor office update

Fawn, I suggest making modifications as needed. I was hoping to get high level feedback from the Chancellor while he was away from the office. So far I have nothing.

Joshua Riedy, Ed.D.
Chief Information Officer
University of North Dakota
Skalicky Tech Incubator Room 165
4300 James Ray Drive Stop 7131
Grand Forks, ND 58202-7131
Phone: 1.800.342.8230 (toll free) or 701.777.3231 (direct)
Fax: 701.777.4342
E-mail: joshua.riedy@email.und.edu
Web: www.und.edu

From: Behrens-Smith, Fawn
Sent: Monday, December 24, 2012 1:18 PM
To: Riedy, Joshua; Lori Johnson; Lehn, Rich
Cc: Jenny Grant
Subject: RE: NDUS/UND IT Office - Executive Suite / Chancellor office update

I was hoping to make some modifications. Please let me know when you hear back from the Chancellor.

Happy Holidays - Fawn

From: Riedy, Joshua
Sent: Friday, December 21, 2012 2:41 PM
To: Lori Johnson; Lehn, Rich
Cc: Behrens-Smith, Fawn; Jenny Grant
Subject: RE: NDUS/UND IT Office - Executive Suite / Chancellor office update

Lori:

Thanks to you and Jenny for the great work on this matter. I really like your concept.

Considering the Chancellor's background, I have passed the plan along to him (and Randall Thursby) for review. My hope is that we can get his initial impression soon.

In the meantime, let me know if you need anything.

Have a Happy Holidays.
Confirmed with Rick that he is available. We will be meeting with Chancellor on Monday at 4:00.

Have a good weekend.

Fawn
Josh / Rich-

Fawn and I met this morning to review options based on everyone’s discussions / input on the Chancellor’s space the last couple days. I have attached the south wing option for your comments/review.

The option for the north wing is shown on the first sheet of the attachment, but I haven’t spent time cleaning it up. Fawn has spent further time working on the layout this afternoon...and I will discuss further with her tomorrow.

I have also attached the second floor Multipurpose Room and Team Meeting with the changes. I was hoping we could discuss this space further, as I would like to get all approved drawings (floor plans, ceiling plans, interior elevations, details, etc...) complete within the next week to get to all contractors for pricing. I also understand that the Chancellor may need to review his space to approve the changes / add comments...and that he can certainly take as much time as he feels necessary to make sure he gets his space right. I understand that he will need some time, and will respect the time needed. Let me know your thoughts on what you feel is realistic and achievable!!

We can phase the pouring of the slab on grade...giving JP Structures the areas that are ready based on where underground work is complete. According to their schedule now, slab on grade is expected to start January 14th and be complete January 23rd. I will have a better feel after I visit the site tomorrow and after the construction meeting on Thursday if the concrete slab is still on schedule to begin on Monday. There is plenty of work to be completed on site if the slab isn’t poured as scheduled!!

Underground plumbing started today (yeah!!!!) and they are making progress based on the numerous phone calls and emails I received!! Nice to have them on site...one step closer to move-in day ☺!!!

Lori Johnson

a. 701-772-4266 | d. 701-402-0220
www.iconarchitects.com | www.iconHD.com
FYI...I am waiting for a message from Rick Tonder to the Chancellor indicating the South option is preferred by all.

Joshua Riedy, Ed.D.
Chief Information Officer
University of North Dakota
Skalkicky Tech Incubator Room 165
4300 James Ray Drive Stop 7131
Grand Forks, ND 58202-7131
Phone: 1.800.342.8230 (toll free) or 701.777.3231 (direct)
Fax: 701.777.4342
E-mail: joshua.riedy@email.und.edu
Web: www.undi.edu

From: Lori Johnson [mailto:lorio@iconarchitects.com]
Sent: Wednesday, January 09, 2013 10:56 AM
To: Riedy, Joshua; Lehn, Rich; Behrens-Smith, Fawn
Subject: NDUS/UND IT Office - Chancellor space

Good Morning All!!

I have attached the updated floor plans for the Chancellor’s spaces. The south wing option is the same as I sent last night. The north option has been revised.

Thank you!

Lori Johnson

o. 701-772-4266 | d. 701-402-0220
www.iconarchitects.com | www.iconHD.com
Good morning Chancellor Shirvani. Attached please find a proposed layout for the office suite within the new IT facility. We relocated the suite to the south wing after trying the fit. I think it is a much better utilization of that space, and provides a better security solution as well. The suite is adjacent to the large meeting room which we have designed to accommodate SBHE meetings, and having your conference room in close proximity may be an excellent way for the board to enter into executive sessions away from the public when needed. We have planned this setup with fixed walls, but we can also create much of this space using full height, prefabricated wall components that allow for flexible configurations. Please let me know if you have a preference.

We continue to accommodate public access to your office, and you will be able to exit your office through the rear corridor which also connects to the space created for additional staff when needed. Please mark up the drawings as required, and if I have missed the mark entirely and you wish to return to the other concept, let me know and we will get back to it immediately. Our goal is to place the plumbing in the floor as soon as possible as the mechanical contractor is beginning this work. You can phone me directly if needed at: office (701) 777-4270 or cell (701) 741-3098.

Rick Tonder, Director
Campus Capital Projects & Planning
Facilities Bldg, Rom 205
3791 Campus Rd., Stop 7107
Grand Forks, ND 58202-7107
Becky:

Good afternoon, I hope the weekend is going well. Can you make certain the Chancellor responds to Rick’s message below ASAP? I know he is busy next week but now that his GF office space footprint has grown it is imperative that we get his approval so that construction is not slowed or stopped.

Let me know if you have any questions regarding the matter.

Thanks for your time and assistance.

**Joshua Riedy, Ed.D.**
Chief Information Officer
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Skalicky Tech Incubator Room 165
4300 James Ray Drive Stop 7131
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Phone: 1.800.342.3230 (toll free) or 701.777.3231 (direct)
Fax: 701.777.4342
E-mail: joshua.riedy@email.und.edu
Web: www.und.edu

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From: Tonder, Rick
Sent: Friday, January 11, 2013 9:36 AM
To: Shirvani, Hamid
Cc: Riedy, Joshua; Lehn, Rich; Behrens-Smith, Fawn
Subject: Office Suite Layout

Good morning Chancellor Shirvani. Attached please find a proposed layout for the office suite within the new IT facility. We relocated the suite to the south wing after trying the fit. I think it is a much better utilization of that space, and provides a better security solution as well. The suite is adjacent to the large meeting room which we have designed to accommodate SBHE meetings, and having your conference room in close proximity may be an excellent way for the board to enter into executive sessions away from the public when needed. We have planned this setup with fixed walls, but we can also create much of this space using full height, prefabricated wall components that allow for flexible configurations. Please let me know if you have a preference.

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Rick and Josh,

The chancellor has indicated that he is okay with the layout.

Regards,

Rebecca Duben
Executive Assistant to Chancellor Hamid A. Shirvani
North Dakota University System
600 E Boulevard Ave, Dept 215
Bismarck ND 58505-0230
Ph: 701.328.2974 Fax: 701.328.2961
Email: rebecca.a.duben@ndus.edu
Web: ndus.edu

Becky:

Good afternoon, I hope the weekend is going well. Can you make certain the Chancellor responds to Rick’s message below ASAP? I know he is busy next week but now that his GF office space footprint has grown it is imperative that we get his approval so that construction is not slowed or stopped.

Let me know if you have any questions regarding the matter.

Thanks for your time and assistance.

Joshua Riedy, Ed.D.
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Fax: 701.777.4342
E-mail: joshua.riedy@email.und.edu
Web: www.und.edu

From: Tonder, Rick
Randall
Here is a floor layout with the Chancellor's Executive Suite area marked off with a red line and the red arrow pointing to that wing on the first floor.

Approximate overall size of the executive suite area = 42' x 50' for a total of 2,100 sq ft plus approx 4'x24' bump-out by window of 96 sq ft. Total of area = approx 2,200 sq ft.

The drawing "Department Plans" is probably best to see the whole space whereas the "Executive Suite South Wing" shows square footage for each of the rooms.

Chancellor's Office = 486 sq ft
Board Room = 566 sq ft
Reception/Waiting = 529 sq ft
Other Office = 271 sq ft
Other spaces for bathroom, etc. approx = 348 sq ft

Rich Lehn
Assistant to the CIO
North Dakota University System
Skalicky Tech Incubator Room 167
4300 James Ray Drive - Stop 7131
Grand Forks ND 58202-7131
701.777.3756 ph
rich.lehn@ndus.edu
January 18, 2013

Chancellor Ham Shirvani
North Dakota University System
600 E Boulevard Avenue Dept. 215
Bismarck, ND 58505-0230

Dear Ham:

The attached memo provides detail on a change that is pending to the design of the joint NDUS/UND IT building. As indicated in the memo, we are of the understanding that State Board of Higher Education and Legislative approval are necessary for the change. To ensure compliance with existing statute and policy as well as legislative intent, I have instructed staff to hold the change until appropriate approvals are received. Because of the very tight timeline to complete the project to enable occupancy for fall 2013, work will continue under the original design.

Please let me know if further information is needed.

Sincerely,

Robert O. Kelley
President
TO: NDUS Presidents' Assistants
FROM: Noah Brisbin, Special Assistant to the Chancellor
DATE: December 13, 2012
SUBJECT: 2013 State Board of Higher Education meetings – campus responsibilities

When hosting a Board meeting, campuses will be responsible for configuring the meeting room(s), meeting IT and technical requirements, and coordinating meals. Please find relevant details below:

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The breakfast is for SBHE members, NDUS staff, and others who will be involved in the morning committee meetings. The social luncheon may additionally include presidents, campus personnel, local legislators, and community leaders.

Please be in contact if you have any questions.

xc:  Jerry Rostad
     Duaine Espegard, SBHE President
**Conf Call with Executive Committee: MISU Grandfathering and Budget**

**Subject:** Conf Call with Executive Committee: MISU Grandfathering and Budget

**Location:** Ph: 701.228.1620  Passcode: 721345#

**Start time:** Mon 10/09/2012  9:00 AM  All day event

**End time:** Mon 10/09/2012  10:00 AM
Governor Dalymple has asked me to schedule a Higher Education Meeting on November 6, to include the following individuals:


The meeting has been scheduled for Tuesday, November 6 from 1:30 to 3:30 in the Governor's Conference Room. Please let me know if you can make this meeting.

Thank you.

Marilyn Wagner  
Scheduler for Governor Jack Dalymple  
600 E Boulevard, Dept 101  
Bismarck ND 58505  
701-328-2200 / 701-328-2205 Fax  
mwagner@nd.gov
In recent months, an environment of intimidation, threat, deceit and misdirection have been introduced by the new higher ed Chancellor and SBHE leadership. That’s been directed at you and the public, as well as within higher education. Please see below.

I. New Chancellor hired to “...break a few dishes!” (Grant Shaft media quote)

II. During chancellor candidate screening process, chair Grant Shaft realized after a straw poll finalist vote that Shirvani would not be advanced so changed process so all short-list candidates would be forwarded to the SBHE. (media present in the room have record)

III. New Chancellor has rushed through a large number of changes to SBHE organizational and management policies, presidential roles and contracts, and student admission requirements...with little review or consideration of implications. (copies of all new policies enclosed)

IV. New Chancellor has long public record and continues to demonstrate weak leadership/management skills, and a questionable level of higher education expertise.
   a. None of his leadership experience spans 2-year college or research university environments.
   b. Previous experience was president of second smallest, rural, minority-serving, undergraduate campus of the lower tier of two California higher education systems.
      i. While President, departure of most senior leadership staff under him; some positions...twice or more!
      ii. Multiple allegations of inappropriate/illegal personal behavior. (both “i” and “ii” can be found by Google and LexisNexis searches, and CSU-Stanislaus and State of California records)

V. First SBHE meeting after arrival of Chancellor was supposed “Board orientation.”
   i. Publicly notice only after called in to question
   ii. Held at Fargo Microsoft campus instead of a public location to eliminate media coverage and the attendance of campus presidents
   iii. In addition to orientation, regular Board meeting took place; new Board policies passed without the multiple readings required by Board policy and past practice. (SBHE meeting recordings and minutes will confirm)

VI. Avoiding open meeting law has become common.

VII. Waiving new policy/policy change readings has also become common.
   a. Policies are introduced and approved with no opportunity for thorough SBHE or public review.

VIII. Board meeting at Bismarck State College:
   a. Former Board member Rob Vallie told Board they were violating policies by Introducing, waiving repeat readings, and passing policies in one meeting (he cited and read the related Board policy).
      i. He was summarily dismissed from further testimony. Board then voted on and passed the new policies. (SBHE meeting recordings and minutes will confirm)
   b. A campus president asked to speak but was told he could only during public comment section. (SBHE meeting recordings and minutes will confirm)
i. Public comment section has since been eliminated from Board meetings. (recent SBHE agendas will confirm)
c. Campus presidents eliminated from interaction with Board members other than during Board meetings...where they can no longer speak.
   i. Written and verbal accounts confirm Presidents discouraged from attending Board functions (other than full-board meetings, where they can’t speak).
   ii. Only people allowed to speak to or advise SBHE are Chancellor/Vice Chancellors.

IX. Widely distributed directive from Board President Grant Shaft
   a. Sent just before new Chancellor’s start
   b. Bypassed campus Presidents, and distributed directly to campus faculty and staff
   c. Directed all communications to follow chain of command through the new Chancellor
   d. Written and verbal reprimands of presidents by Chancellor suggest policy is still in place.
      i. Board members ...also get rebukes for discussions with campus representatives!

X. Presidents criticized by new Chancellor, in writing, for following SBHE policies Chancellor not in agreement with or when he has other plans.

XI. By one of the new policies, SBHE now operates by “executive committee” made up of SBHE past-president (Grant Shaft), current president (Duane Espeagard), and president-elect (Kirstin Dietrich).
   a. President-elect often unaware of meetings, even with Governor; she’s dismissible because executive committee can reach consensus/majority without her.
      i. SBHE former and current presidents admitted in social setting they have no intent of allowing president-elect to assume president position.
   b. Executive committee empowered to act for the Board.
      i. “Full” Board receives most information and updates on actions already taken, only by/through executive committee or Chancellor.

XII. When SBHE meet at campus, presidents must now provide/pay for SBHE dinner (no campus representatives may attend)... at a “premier” establishment. (copy of directive enclosed).
   a. Would not likely meet private donor intent, so expense must be through public funds.
   b. Campus must provide a similar lunch following day; campus representatives “might” be invited

XIII. Recent Chancellor’s cabinet meeting with presidents, framed as “open discussion without retaliation,” reportedly turned into interrogation of campus presidents by SBHE executive committee and Chancellor.
   a. No notification to the campus presidents that regular meeting wouldn’t take place
   b. No required public notice given involvement of three SBHE members represented a Board meeting
   c. SBHE President asked for written notes to be taken by president elect.
   d. SBHE past-president announced that the Chancellor, who remained in the room the entire time, “...has our full support and the SBHE thinks he is doing a great job!”...and then asked for evaluation of that from presidents.
   e. As presidents left meeting, at least one president reported threatened with his job for what he said.
3a
Meeting Notice and Agenda

May 16, 2012

Revised May 11, 2012

The State Board of Higher Education will meet Thursday, May 16, 2012, at 8:30 a.m. CT, in Room 335, National Energy Center of Excellence, BSC, Bismarck, ND.

The exact time each agenda item will be discussed cannot be assured.

Wednesday, May 16, 2012

8:30 – 9:00 a.m.

CALL TO ORDER

1. Board President’s Report
   • Update on Oversight Committee
   • Update on budget process expectations and implications
   • Ratify SBHE President’s action appointing interim LRSC President

2. Chancellor’s Report

BOARD BUSINESS

9:00 – 9:05

3. Approve April 12, 2012 and April 27, 2012, meeting minutes

9:05 – 9:10

4. Approve 2013 meeting dates

9:10 – 9:20

Board Policy Manual Revisions

Introduction and first reading

5. 402.9 Admission Policies – International Students

Second reading and final adoption

6. 350.1 State Board of Agricultural Research and Education

7. 350.3 School of Medicine and Health Sciences Advisory Board

8. 809.2 Gift Funds

9. 810 Deposit of Funds; Investments
10. 906 Emergency Preparedness and Management: Continuity of Operations: Security
11. 1901.5 Data Element Dictionary - Data Quality and Integrity

9:20 – 9:30 Consent Agendas

*Chancellor Goetz recommends approval of the following requests:*

**Financial Consent Agenda**

12. Approve BSC request for increased spending of $1.5 million from $7.5 million to $9 million for the Student Union renovation and addition project, to be funded $1.4 million from auxiliary reserves and $100,000 from bond proceeds; and, authorization to seek necessary Budget Section approval for change in the project amount per NDCC 48-01.2-25; and, further, subject to Budget Section approval, request SBHE authorization to proceed with the project.

13. Approve NDSU request to increase the project authorization and scope of the Gate City Bank Auditorium (former Stevens Hall Auditorium) project from $380,000 to $450,000, to be funded $410,000 from private donations and $40,000 from 2011-13 extraordinary repair funds; seek legislative Budget Section approval per NDCC15-10-12.1; and proceed with project contingent on Budget Section approval.

14. Approve VCSU request to proceed with the remodel of Student Center food service space, estimated to cost $425,000, with funding provided by Sodexo.

15. Approve WSC request for a change in project scope in Phase II of WSC Workforce Training Center project; and authorization to seek necessary Budget Section approval for change in Phase II project scope per NDCC 48-01.2-25; and, further, subject to Budget Section approval, request SBHE authorization to proceed with Phase II of the project. Also, request approval of a change in project amount and scope in Phase III of WSC Workforce Training Center project; and, authorization to seek necessary Budget Section approval for change in Phase III project scope per NDCC 48-01.2-25, and increased spending authority of $2,828,267 in private, gift, and grant funds per NDCC 15-10-12.1, increasing total Phase II and III authorized project cost from $3,910,000 to $6,738,267.

16. Approve NDSU Request permission to change the name of the Indoor Track Facility to the Shelly Eligon Indoor Track & Field Facility.
Personnel Consent Agenda

17. Approve NDSU tenure requests
18. Approve appointments to the North Dakota State Board of Agriculture Research and Education

MAJOR POLICY DISCUSSIONS & SPECIAL REPORTS

9:40 – 9:45  Public Comment
9:45 – 9:50  Announcements

Review of Board meeting

Adjourn

Future Board Meetings

- June 14 – NDSU
- June 21 – Tentative
- July 19 – Conference Call

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndsu.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
3b
State Board of Higher Education
May 16, 2012

The State Board of Higher Education met Thursday, May 16, 2012, at 8:33 a.m. CT, in Room 335, National Energy Center of Excellence, BSC, Bismarck, ND.

Members present:
Mr. Grant Shaft, President
Dr. Kirsten Diederich
Dr. John Girard, Faculty Adviser
Ms. Janice Hoffarth, Staff Senate Adviser

Mr. Duaine Espegard, Vice-President,
Dr. Terry Hjelmstad
Mr. Robert Vallie, Student Member

Members absent:
Mr. Richie Smith
Mr. Mike Haugen

Staff members present:
Mr. William G. Goetz, Chancellor
Mr. Pat Seaworth, General Counsel
Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
Dr. Michel Hillman, Vice Chancellor for Academic & Student Affairs
Mr. Bill Eggert, Director of Internal Audit and Risk Assessment
Dr. Marsha Krotseng, Vice Chancellor for Strategic Planning/Exec. Director of CTEC
Ms. Erika Lorenz, Secretary

Presidents/Dean participating:
Dr. Larry Skogen, BSC
Dr. Keith Stenehjem for Dr. Gary Hagen, MaSU
Dr. Doug Darling for Dr. Mike Bower, LRSC, by phone
Dr. Ken Grosz, DCB
Dr. Dean Bresciani, NDSU
Dr. John Richman, NDSCS
Dr. Robert Kelley, UND
Dr. Steve Shirley, VCSU
Dr. Raymond Nadolny, WSC, by phone

Board President’s Report
Mr. Shaft said a recent Grand Forks Herald poll shows 56% of respondents willing to retire the UND Fighting Sioux logo and nickname. He said he believes the poll reflects the people of North Dakota understand the ramifications to UND of continuing to use the logo and nickname. Mr. Seaworth reviewed what SBHE members can and cannot do to support their personal views on the issue.

- **Update on Oversight Committee**
  Mr. Shaft said the Oversight Committee discussion centered on learning management systems. He said the Committee will allow adequate time for campus input before the SBHE takes action on this item.

- **Update on budget process expectations and implications**
  Mr. Shaft said the Office of Management and Budget has extended the 2013-15 budget submission deadline by one month to August 15th, to allow time for Dr. Shirvani’s direction once he assumes office on July 1st. Mr. Shaft thanked Chancellor Goetz and NDUS Office staff for their work on the budget.
• **Ratify SBHE President’s action appointing interim LRSC President.**
  Mr. Shaft said the appointment of the interim LRSC President will be delayed until the end of the week. Ratification of the President’s action will be on June SBHE meeting agenda.

Mr. Shaft said the SBHE retreat will focus on the relationship between the Board and the Chancellor. Attendance will be limited to SBHE members, the Chancellor, and Dr. Shirvani.

Mr. Shaft recognized Dr. Mike Bower for his service as the President of LRSC and his work with the NDUS. Mr. Shaft also recognized Dr. Girard for his service as the Faculty Adviser to the SBHE.

Mr. Shaft provided an overview of recent campus accomplishments.

**Chancellor’s Report**
Chancellor Goetz said he spoke at a meeting of top business leaders in Michigan. The topic was the relationship of higher education to business and industry. Chancellor Goetz said he will be attending the Western Interstate Commission for Higher Education conference in Colorado next week.

**BOARD BUSINESS**

**Approve April 12, 2012 and April 27, 2012, meeting minutes**

*It was moved* by Vallie, seconded by Diederich, to approve the April 12, 2012 and April 27, 2012, meeting minutes. Diederich, Hjelmstad, Vallie, Espegard, and Shaft voted aye. The motion carried.

**Approve 2013 meeting dates**

*It was moved* by Espegard, seconded by Hjelmstad, to approve the 2013 SBHE meeting dates. Hjelmstad, Diederich, Vallie, Espegard, and Shaft voted aye. The motion carried.

**Board Policy Manual Revisions**

*It was moved* by Espegard, seconded by Vallie, to approve the introduction and first reading of Policy 402.9 Admission Policies – International Students. Vallie, Diederich, Hjelmstad, Espegard, and Shaft voted aye. The motion carried.

*It was moved* by Diederich, seconded by Espegard, to approve the second reading and final adoption of Policies 350.1 State Board of Agricultural Research and Education, 350.3 School of Medicine and Health Sciences Advisory Board, 809.2 Gift Funds, and 810 Deposit of Funds: Investments effective immediately. Diederich, Vallie, Hjelmstad, Espegard, and Shaft voted aye. The motion carried.

*It was moved* by Espegard, seconded by Vallie, to amend Policy 906 approved on introduction and first reading by deleting the words “and provide for routine patrols, a visible security presence” in section 6.a and to approve the second reading and final adoption of Policy 906 Emergency Preparedness and Management: Continuity of Operations: Security, effective immediately. Vallie, Hjelmstad, Diederich, Espegard, and Shaft voted aye. The motion carried.

*It was moved* by Diederich, seconded by Espegard, to amend Policy 1901.5 approved on introductions and first reading by deleting the sentence in subsection a that states, “The chancellor and institution presidents are ultimately responsible to ensure that missing or inaccurate data is minimized, and to provide timely correction of data issues” and approve the second reading and final adoption of Policy 1901.5 Data Element Dictionary - Data Quality and Integrity, effective immediately. Diederich, Hjelmstad, Vallie, Espegard, and Shaft voted aye. The motion carried.
Consent Agendas

It was moved by Hjelmstad, seconded by Vallie, to approve the following Financial Consent Agenda items:

- Approve BSC request for increased spending of $1.5 million from $7.5 million to $9 million for the Student Union renovation and addition project, to be funded $1.4 million from auxiliary reserves and $100,000 from bond proceeds; and, authorization to seek necessary Budget Section approval for change in the project amount per NDCC 48-01.2-25; and, further, subject to Budget Section approval, request SBHE authorization to proceed with the project.
- Approve NDSU request to increase the project authorization and scope of the Gate City Bank Auditorium (former Stevens Hall Auditorium) project from $380,000 to $450,000, to be funded $410,000 from private donations and $40,000 from 2011-13 extraordinary repair funds; seek legislative Budget Section approval per NDCC15-10-12.1; and proceed with project contingent on Budget Section approval.
- Approve VCSU request to proceed with the remodel of Student Center food service space, estimated to cost $425,000, with funding provided by Sodexo.
- Approve WSC request for a change in project scope in Phase II of WSC Workforce Training Center project; and authorization to seek necessary Budget Section approval for change in Phase II project scope per NDCC 48-01.2-25; and, further, subject to Budget Section approval, request SBHE authorization to proceed with Phase II of the project. Also, request approval of a change in project amount and scope in Phase III of WSC Workforce Training Center project; and, authorization to seek necessary Budget Section approval for change in Phase III project scope per NDCC 48-01.2-25, and increased spending authority of $2,828,267 in private, gift, and grant funds per NDCC 15-10-12.1, increasing total Phase II and III authorized project cost from $3,910,000 to $6,738,267.
- Approve NDSU Request permission to change the name of the Indoor Track Facility to the Shelly Elig Indoor Track & Field Facility

Diederich, Hjelmstad, Vallie, Espegard, and Shaft voted aye. The motion carried.

Personnel Consent Agenda

- Approve NDSU tenure requests
- Approve appointments to the North Dakota State Board of Agriculture Research and Education

It was moved by Vallie, seconded by Hjelmstad, to approve the NDSU tenure requests and approve the appointments of Leland “Judge” Barth, Keith Peltier, and Richard Roland, to the North Dakota State Board of Agriculture Research and Education. Hjelmstad, Diederich, Vallie, Espegard, and Shaft voted aye. The motion carried.

MAJOR POLICY DISCUSSIONS & SPECIAL REPORTS

Student Fees Task Force Report

Dr. Diederich summarized the Task Force charge. She said the Task Force reviewed information regarding current fee information (policies, fee amounts, state statutes, etc.), processes at all NDUS campuses for student input on fees, the NDSU student government fee review and approval process, the number of collaborative students, the history of program fee increases, Student Government Activity and College/University Fee Detail, on-line vs. on-campus enrollments, the NDUS tuition model history and recent proposals, course fee and program fee policies, the recent DSU audit issues related to fees, and NDUS campus distance delivery pricing. Dr. Diederich summarized concerns from the State Auditor’s Office and legislative leadership regarding student fees.
She said the Task Force recommends further work on affordability, transparency, and consistency but to delay further discussion and action until after Dr. Shirvani takes office.

Mr. Shaft thanked Task Force members for their work.

The meeting adjourned at 9:42 a.m.

Executive Secretary

July 12, 2012

President
ND State Board of Higher Education
Minutes – May 16 & 17, 2012

The State Board of Higher Education met Wednesday, May 16 and 17, 2012, at 10:20 a.m. CT, in Harold Shafer Leadership Center, University of Mary, 7500 University Drive, Bismarck, ND.

Members present:
Mr. Grant Shaft, President
Dr. Kirsten Diederich
Dr. John Girard, Faculty Adviser
Ms. Janice Hoffarth, Staff Senate Adviser

Mr. Duaine Espegard, Vice-President,
Dr. Terry Hjelmstad
Mr. Robert Vallie, Student Member

Members absent:
Mr. Richie Smith
Mr. Mike Haugen

Wednesday, May 16, 2012
Chancellor Goetz introduced the retreat facilitator, Dr. Kenneth Shaw.

Organizational Matters
Dr. Shaw summarized the ground rules, workshop goals, and the agenda. He said the retreat goal is to identify six to ten goals for the SBHE to achieve in the upcoming year.

Common Elements for a Successful System Board
Board members expressed concerns regarding the relationship between the NDUS and campuses.

Chancellor Goetz expressed concern regarding the limited staff resources in the system office and the inability to make positive changes without increased resources. He said defined roles for the Chancellor and Office Staff are critical. Dr. Shirvani said there seems to be a tendency to not follow a chain of command within the System.

Dr. Shaw said a clear understanding of roles and responsibilities will be critical. The SBHE discussed lines of communication between campus presidents, the SBHE, and System Office, and the Chancellor. Dr. Shaw suggested the SBHE receive input from the campus presidents as a part of the Chancellor’s evaluation.

Board members discussed broader involvement by members in SBHE business, the need for a more intense orientation for new SBHE members, and needed committees. Mr. Espegard suggested it may be beneficial to have an Executive Committee that includes the SBHE President, Vice-President, and past-President. Board members expressed concern regarding the time commitment required by SBHE members. Dr. Shirvani suggested an Academic Committee, an Executive Committee, and the Budget, Audit, and Finance Committee each consisting of three SBHE members as well as other committee members. Ms. Hoffarth suggested including the Faculty and Staff Advisers in committee memberships. SBHE members discussed having committee meetings the day before or after SBHE meetings to consolidate the time needed for member participation. It was also suggested that the Chancellor be involved in committee meetings and the inclusion of qualified, outside individuals on committees.
Dr. Shaw reviewed the discussion noting SBHE support of the chancellor, changes in communication, additional committees, a more intense SBHE orientation, and the need for additional system office resources.

SBHE members discussed the process for evaluations of the chancellor and presidents. Regarding SBHE self-evaluations, Mr. Espegard said an anonymous survey may be beneficial. It was agreed that a more systematic procedure for evaluations and the SBHE self-evaluation would be productive.

There was discussion regarding a unified voice for the System and how to effectively communicate with and among stakeholders. Also, SBHE members discussed the budget process and gaining input from campus presidents during the process.

There was discussion about the SBHE shifting to a more policy oversight focus rather than day-to-day management, frequent sources of tension, cultural changes, governance, and the components of a high performance board culture.

In response to a question, Dr. Shaw said he believes the future of higher education will require providing more with less. He said online courses may be a way to achieve this even though the startup costs are high.

The meeting recessed at 5:00 p.m.

**Thursday May 17, 2012**

The SBHE retreat resumed at 9:00 a.m.

Dr. Diederich presented a summary of comments at the Interim Higher Education Committee regarding fees and tuition waivers. She said the Committee had concerns regarding information presented about waivers for out-of-state students. Mr. Shaft said a top priority for the SBHE may be simplifying how fees, waivers, and tuition are calculated.

Dr. Shirvani said he would like to meet with the SBHE in July regarding the budget and prioritization of issues.

SBHE members discussed the importance of deferring to the Chancellor as the spokesman for the NDUS, the timing of this change, and how to notify stakeholders. Members also discussed reducing the number of meetings and holding face-to-face meetings rather than conference calls.

SBHE members agreed on these immediate priorities: role differentiations, public relations/communications, committees, Board orientation, Board organization, and increased resources.

SBHE members agreed on these medium level priorities: SBHE self-evaluations, evaluations of president and chancellor, and policy review.

Chancellor Goetz said NDUS Staff will be working with Dr. Shirvani in the upcoming months on priority issues and the budget process.

Information regarding communication protocol to internal stakeholders will be issued by Mr. Shaft, following this; Mr. Espegard will issue a statement to public stakeholders. SBHE members, Chancellor
Goetz, and Dr. Shirvani agreed that staff and presidents' communication with the SBHE will be routed through the Chancellor. Communication with public stakeholders will be communicated to and from the Chancellor.

The meeting adjourned at 10:39 a.m.

Executive Secretary

July 12, 2012

President
Meeting Notice and Agenda

The State Board of Higher Education Budget, Audit and Finance Committee will meet by conference call, on Wednesday, June 6, 2012, at 8:30 a.m. CT. The call will originate in the NDUS office, 10th floor of the State Capitol, Bismarck, ND.

1. Approve May 9, 2012 meeting minutes
2. Presentation on Unrestricted Net Assets – Ms. Putnam
3. Update on 2011-12 System audit plan – Mr. Eggert
4. Review of 2011-12 major audit report issues – Mr. Eggert
   - DSU Enrollment report
   - DSU Human Resources Report
   - DSU International Students
   - Additional testing of transfer students memo
5. Report on audit tracking spreadsheet – Mr. Eggert
   - Update on DSU audit recommendations
   - SAO recommendations
6. Update on other items – Mr. Eggert
   - Fraud/ Code of conduct video
   - Segregation of Duties (SOD)
7. Update on development of 2012-13 audit plan – Mr. Eggert

Adjourn

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
The following draft minutes have not yet been approved by the
State Board of Higher Education
Budget, Audit, and Finance Committee
June 9, 2012

The State Board of Higher Education Budget, Audit and Finance Committee met by conference call, on Wednesday, June 9, 2012, at 8:35 a.m. CT. The call originated in the NDUS Office, 10th floor of the State Capitol, Bismarck, ND.

SBHE Budget, Audit, and Finance Committee members participating:
   Duaine Espegard, Chairman
   Kirsten Diederich
   Grant Shaft

NDUS staff participating:
   William Goetz, Chancellor
   Laura Glatt, Vice Chancellor for Administrative Affairs
   Robin Putnam, Director of Financial Reporting
   Bill Eggert, Director of Internal Audit & Risk Assessment
   Erika Lorenz, Secretary

Mr. Shaft called the meeting to order and acted as Chair. Mr. Espegard joined the meeting later.

Approve May 9, 2012 meeting minutes

It was moved by Diederich, seconded by Shaft, to approve the May 9, 2012, meeting minutes. Diederich and Shaft voted aye. Espegard was absent. The motion carried.

Presentation on Unrestricted Net Assets

Ms. Putnam said unrestricted net assets are total assets less total liabilities. These funds encompass a wide array of functions core to the operations of the institutions. The balances shown are not only cash balances, but consist of investments, accounts receivable, notes receivable, inventories, and other non-liquid assets and are often available at a point in time only due to uneven operating cycles. Ms. Putnam said the NDUS has approximately $157 million in unrestricted net assets, but most funds are considered obligated versus unobligated. She said unobligated reflects management
decisions regarding use of the funds. The report presented provided examples of both obligated and unobligated funds.

**Update on 2011-12 System audit plan**

Mr. Eggert said planned FY2012 audits on enrollment and vendor payables were not completed due to dedicated to DSU audits. Audits on enrollments and vendor payables will be added to the upcoming year’s audit plan.

**Review of 2011-12 major audit report issues**

- **DSU Human Resources Report**
  
  Mr. Eggert said the only issue found with DSU Human Resources was a lack of yearly staff and faculty performance evaluations. DSU has completed evaluations this year in compliance with Policy 604.3 – Performance Evaluations: Benefited Employees.

- **Additional testing of transfer students memo**
  
  Mr. Eggert said additional testing on domestic and international student cohort records was completed at DSU to ensure compliance. He said both first time freshmen and transfer students were tested. He tested 160 additional DSU student records, focusing heavily on transfer students. All records tested were found to be in order.

**Report on audit tracking spreadsheet**

Mr. Eggert said the audit tracking spreadsheet was created to track the status of implementation of all audit recommendations, both SAO and internal audits, for all institutions. The Larson Allen risk assessment recommendations are also included in the spreadsheet and will be monitored.

- **Update on DSU audit recommendations**
  
  Mr. Eggert presented a brief overview of the spreadsheet which contains all of the DSU audit recommendations. In response to a question form Mr. Espegard regarding implementation of recommendations, Mr. Eggert said there is an area in the spreadsheet that reflects when recommendations have been implemented. The spreadsheet format may be revised slightly to be more streamlined. The target timeline for implementation of all recommendations is the summer of 2012.
Update on other items

- **Fraud/ Code of conduct video**
  Mr. Eggert said the fraud/code of conduct video is required to be reviewed by all NDUS employees every year. He said the NDUS Office and SITS staff are 100% compliant. Campuses individually track campus compliance.

- **Segregation of Duties (SOD)**
  Mr. Eggert said segregation of duties is an ongoing recommendation from the SAO in select areas. SOD is used to ensure that errors or irregularities are prevented or detected on a timely basis. It provides two benefits: a deliberate fraud is more difficult because it requires the involvement of two or more persons, and it is much more likely that innocent errors will be found. Typically, it means that no single individual should have control over two or more phases of a transaction or operation. Mr. Eggert said that he started working with campuses about a month ago to begin documenting workflow activities utilizing a template document utilized by the SAO. Currently this is a manual process which is very time consuming and Mr. Eggert said he will engage SITS to determine how this can be automated in the future.

Update on development of 2012-13 audit plan

Mr. Eggert said he will be reaching out to committee members, the Chancellor, and Presidents for suggestions on FY2013 audits. Following this input, Mr. Eggert said he would develop 4-5 suggestions and circulate to the BAFC for their selection. This will be used to finalize the FY2013 audit plan to be presented to the BAFC at their next regularly scheduled meeting at or near the start of the fiscal year.

The meeting adjourned at 9:00 a.m.
5a
Meeting Notice and Agenda
June 14, 2012

The State Board of Higher Education will meet Thursday, June 14, 2012, at 8:45 a.m. CT, at the NDSU Alumni Center, Atrium, 1241 University Drive, Fargo, ND.

The exact time each agenda item will be discussed cannot be assured.

Wednesday, June 13, 2012
7:00 – 9:00 p.m. Social
NDSU President’s residence, 1200 University Drive North

Thursday, June 14, 2012
7:30 – 8:30 a.m. Continental breakfast
Alumni Center Reimers Room

8:45 – 9:45 a.m.

CALL TO ORDER

1. Board President’s Report
   • Update on Oversight Committee
     • Approve Document Image Scanning plan
     • Update on Learning Management System Plan
   • Ratify SBHE President’s action appointing interim President at LRSC
   • Update on Compensation Committee
     • Approve FY2013 presidential salary ranges
   • Update on Chancellor Goetz’s retirement

2. Chancellor’s Report

3. North Dakota Student Association Report – Mr. William Woodworth


5. Staff Senate Report – Ms. Janice Hoffarth
BOARD BUSINESS

9:45 – 10:00
6. Election of officers
7. Appoint Budget, Audit, and Finance Committee members
8. Appoint Centers of Excellence members

10:00 – 10:15
Consent Agendas

Chancellor Goetz recommends approval of the following requests:

Financial and Facility Consent Agenda

9. Approve LRSC request to seek Budget Section authorization for change in project scope per NDCC 48-01.2-25; and, further, subject to Budget Section approval, request SBHE authorization to proceed with the Wind Turbine project at a cost of $7,181,216, to be funded through energy performance contract, with initial $2,609,920 general fund investment.

10. Approve LRSC request for authorization to: 1) Proceed with execution of an Energy Services Agreement with Energy Services Group/Honeywell (ESG) for up to $7,181,216.00 for the acquisition, construction and installation of energy efficient improvements, including a wind turbine, and further to develop and execute contracts and project financing; and 2) Proceed with the execution and delivery of an equipment lease purchase agreement with respect to the acquisition, purchase, financing and leasing of certain equipment under that Energy Services Agreement referenced above with ESG; 3) Authorize the President or Vice President of Administrative Services at LRSC to execute the lease at an issuance of not to exceed $5,000,000 in lease purchase financing at a proposed interest rate not to exceed 5.25%. The approximate final date upon which the principal amount of the obligation will mature or become payable is 15 years; and 4) Appoint the firm of Arntson Stewart Wegner P.C., Fargo, North Dakota, as the bond counsel.

11. Approve NDSU request to proceed with fund raising efforts for the renovation of the Family Life Center (FLC) Nutrition, Dietetics and Hospitality Laboratories in the amount of $900,000; furthermore, include the project in the non-state funded capital project requests in the 2013-15 biennial budget.
12. Ratify Chancellor's interim action approving additional authorization for construction of a “Scale Up” classroom within UND's O’Kelly – Ireland Hall from $1,131,381 to $1,448,170 funded approximately $125,000 from student technology fees, and $191,789 from Unrestricted Alumni Funds
13. Approve UND request authorizing the amendment of the lease agreement with UND Foundation in connection with the issuance of Not to Exceed $6,500,000 UND Foundation Lease Revenue Bonds for the purpose of refunding UND Foundation, Lease Revenue Bonds, Series 2002
14. Approve UND request authorizing the issuance of Not to Exceed $30,000,000 State Board of Higher Education of the State of North Dakota, University of North Dakota Housing and Auxiliary Facilities Refunding Revenue Bonds
15. Approve UND request to proceed with general renovation work including electrical upgrades to the existing campus electrical distribution infrastructure at an estimated cost of $475,000, funded from 2011-13 extraordinary repair funds

Academic Consent Agenda
16. Approve NDSU request for a new program offering a Ph.D. in Exercise and Nutrition
17. Approve NDSU request for a new program offering a Ph.D. in Counselor Education and Supervision
18. Approve NDSU request for a new program offering a Ph.D. in Gerontology
19. Approve UND request for Department/School Title Change:
   - From: School of Engineering and Mines
   - To: College of Engineering and Mines
20. Approve UND request for Department/School Title Change:
    - From: Department of Geology and Geological Engineering
    - To: School of Geology and Geological Engineering as a component of the College of Engineering and Mines.
21. Approve UND request to terminate Program RN to MS

Personnel Agenda
22. Approve UND tenure request

10:15 – 10:30  Break

**MAJOR POLICY DISCUSSIONS & SPECIAL REPORTS**

10:30 – 10:45  23. Approve presidents’ objectives for 2012-13 – Chancellor Goetz


10:50 – 12:00  25. Presentation of 2013-15 major capital project requests—Ms. Glatt
   o BSC (10 minutes)
   o LRSC (10 minutes)
   o WSC (10 minutes)
   o NDSCS (10 minutes)
   o UND, including UND SOMHS (15 minutes)
   o NDSU, including NDSU Research Stations (15 minutes)

12:00 – 1:00  Lunch
Alumni Center Reimers Room

1:00 – 1:40  25. Continue presentation of 2013-15 major capital project requests
   o MaSU (10 minutes)
   o MiSU (10 minutes)
   o VCSU (10 minutes)
   o DCB (10 minutes)

1:40 – 1:45  College and university presidents’ briefings

1:45 – 1:50  Public Comment

1:50 – 1:55  Announcements

**Review of Board meeting**

**Adjourn**

**Future Board Meetings**

- July 12 – BSC
- September 26 – To be announced
- November 15 – LRSC
December 20 – Conference Call

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
ND State Board of Higher Education
Minutes – June 14, 2012

The State Board of Higher Education met Thursday, June 14, 2012, at 8:45 a.m. CT, at the NDSU Alumni Center, Atrium, 1241 University Drive, Fargo, ND.

Members present:
Mr. Grant Shaft, President
Mr. Mike Haugen
Dr. Kirsten Diederich, by phone *
Ms. Janice Hoffarth, Staff Senate Adviser

*Dr. Diederich participated only for the election of officers

Members absent:
Dr. John Girard, Faculty Adviser

Staff members present:
Mr. William G. Goetz, Chancellor
Mr. Pat Seaworth, General Counsel
Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
Dr. Michel Hillman, Vice Chancellor for Academic & Student Affairs, by phone
Mr. Randall Thursby, Chief Information Officer
Mr. Bill Eggert, Director of Internal Audit and Risk Assessment, by phone
Dr. Marsha Krotseng, Vice Chancellor for Strategic Planning/Exec. Director of CTEC, by phone
Ms. Erika Lorenz, Secretary

Presidents/Dean participating:
Dr. Larry Skogen, BSC
Dr. Doug Darling, LRSC interim President
Dr. Ken Grosz, DSB
Dr. D.C. Coston, DSU, by phone
Dr. Robert Kelley, UND
Dr. Steve Shirley, VCSU
Mr. James Foertsch for Dr. Raymond Nadolny, WSC

Board President’s Report

- Update on Oversight Committee
- Approve Document Image Scanning plan

Mr. Thursby presented an overview of the document image scanning plan. ImageNow is the software currently being used by six campuses. He said server security has been a concern as well as an audit recommendation. The recommendation to the SBHE is a subscription model to ImageNow for 300 users and to expand functionality with an annual cost of $52,792. Integration would begin with campuses that do not currently have a document imaging system, with others to follow at a later date. Initial startup costs in FY2013 for campuses not currently using ImageNow would be $5,000. Other current ImageNow users would continue to pay what they have been paying during FY2013, with the SITS budget making up the cost differential. Beginning in FY2014, campuses would be assessed based on use. Each institution would retain its own data, train employees, and create/maintain work flows and processes.

It was moved by Haugen, seconded by Vallie, to approve the document image scanning plan as proposed including: a subscription model for 300 users for ImageNow with subscription
costs of $1,200/license annually if less than 300 licenses and $960 if 300 or greater; institutions will be responsible for annual subscription and storage costs with all campuses participating at a minimum number of licenses. In first year institutions would pay costs equivalent to current costs with subsequent years based on usage. The NDUS will be responsible for system maintenance, administration, and security, implement policies and procedures, create standard workflows and processes, governance and institutions responsible for creating and customizing institutional specific workflows, adherence to NDUS policies and procedures, training end-users, maintaining documentation, troubleshooting process specific issues. Diederich, Haugen, Hjemstad, Vallie, Espegard, and Shaft voted aye. The motion carried.

- **Update on Learning Management System Plan**
  Mr. Thursby presented a brief overview of the learning management system project. He said the recommendation to the SBHE is to delay a decision on a learning management system plan until no later than November 2012 to allow for meaningful faculty input. Mr. Shaft said the Oversight Committee agreed to the delay due to the importance of receiving faculty input.

  President Shaft requested cumulative reports be presented to the SBHE on savings achieved through instituted efficiency initiatives. Mr. Thursby suggested the first report be presented to the SBHE in September 2012.

- **UND logo/nickname**
  Mr. Shaft said a vote on Measure 4; retiring the UND Fighting Sioux logo and nickname, was approved which will allow UND to move forward with retiring the nickname and logo.

  **It was moved** by Vallie, seconded by Haugen, to add an additional agenda item regarding the retirement of the Fighting Sioux logo and nickname. Vallie, Espegard, Haugen, Hjemstad, andshaft voted aye. Diederich was absent. The motion carried.

  **It was moved** by Espegard, seconded by Hjemstad, to direct UND to resume the process of retiring the Fighting Sioux logo/nickname, contingent upon the election results being certified by the North Dakota Secretary of State. Espegard, Haugen, Hjemstad, Vallie, and Shaft voted yes. Diederich was absent. The motion carried.

- **Ratify SBHE President’s action appointing interim President at LRSC**
  **It was moved** by Espegard, seconded by Hjemstad, to ratify the SBHE President’s action appointing Dr. Doug Darling as the interim President of LRSC with an annual salary of $118,483. Hjemstad, Vallie, Espegard, and Shaft voted aye. Haugen voted no. Diederich was absent. The motion carried.

  Mr. Shaft said a LRSC presidential search committee has not yet been named because the SBHE does not have full membership and the new Chancellor takes over in July.

- **Update on Compensation Committee**
  Mr. Espegard said the Compensation Committee met and recommends approval of the FY2013 presidential salary ranges as presented on the agenda. He said the salary ranges have generally been increased by $20,000 on the low end to tighten the ranges. He said the goal is to reach the salary mid-point.
It was moved by Espegard, seconded by Haugen, to approve the FY2013 presidential salary ranges. Hjelmstad, Vallie, Espegard, Haugen, and Shaft voted aye. Diederich was absent. The motion carried.

- **Update on Chancellor Goetz’s retirement**
  Mr. Shaft said Chancellor Goetz has requested paid leave from July 1 – August 31 to allow Dr. Shirvani to assume the Chancellor’s duties and occupy the Chancellor’s office on July 1. Chancellor Goetz will be available for consultation as requested between July 1 and August 31.

  It was moved by Espegard, seconded by Hjelmstad, to approve paid leave for Chancellor Goetz beginning July 1, 2012, and ending on Chancellor Goetz’s retirement date of August 31, 2012. The action is a result of Dr. Shirvani assuming the duties of NDUS Chancellor effective July 1, 2012. During the period of leave, Chancellor Goetz will be available for consultation as requested, to assist in the transition of duties and responsibilities to Dr. Shirvani. Haugen, Hjelmstad, Vallie, Espegard, and Shaft voted aye. Diederich was absent. The motion carried.

**Chancellor’s Report**
Chancellor Goetz presented his final report to the SBHE highlighting NDUS accomplishments over the past five years. He said the citizens of North Dakota can be very proud of their university system. Pride in the system has been demonstrated through financial support, realizing benefits from the research at the research universities, and economic growth and diversification as a result of having the presence of a quality higher education system. He said education, research, and student success make a positive difference for all to benefit from.

Mr. Shaft thanked Chancellor Goetz for his service to the NDUS and the SBHE.

**North Dakota Student Association Report**
Mr. William Woodworth said NDSA discussed campus connection and a resolution opposing Measure 2. NDSA will present its resolutions at the July SBHE meeting. Mr. Woodworth said interviews conducted by the Governor for the SBHE student member will begin June 14th. NDSA will be working over the summer to prepare for the legislative session. He said NDSA hopes work will resume on the student fees review. Mr. Woodworth thanked Chancellor Goetz for his service.

**Council of College Faculties (CCF) Report**
Dr. Douglas Munski said CCF discussed the need to seek clarification on the tuition waiver benefit regarding added costs on distance courses. CCF requested a delay on the LMS recommendation until November 2012 to allow for meaningful faculty input. Dr. Munski participated in the SBHE retreat in May. He said faculty members appreciate the positive cooperation between the SBHE, the NDUS Office, and CCF and look forward to working with incoming Chancellor Shirvani.

**Staff Senate Report**
Ms. Hoffarth thanked Chancellor Goetz for his support in the creation of the Staff Senate Adviser position. She recognized outgoing Staff Senate President, Anthony Willer, DSU, the incoming Staff Senate President, James Foertsch, WSC, and President Elect, Scott Staudinger, DSU. Ms. Hoffarth said Staff Senate is concerned that discussion on tuition waivers has not yet come forward to the SBHE. She said Staff Senate has asked the Human Resource Council to consider adding in-laws to those covered under the dependent sick leave policy. Also, Staff Senate suggests that communications to new
employees clearly document that employees who have a spouse with state health insurance, are not eligible for additional health insurance coverage or the cash equivalent.

BOARD BUSINESS

Election of officers
It was moved by Hjelmstad, seconded by Haugen, to elect Mr. Espegard as SBHE President. Haugen, Hjelmstad, Vallie, Espegard, Diederich, and Shaft voted aye. The motion carried.

It was moved by Hjelmstad, seconded by Haugen, to elect Dr. Diederich as SBHE Vice-President. Hjelmstad, Vallie, Espegard, Diederich, Haugen, and Shaft voted aye. The motion carried.

Appoint Budget, Audit, and Finance Committee members
Mr. Shaft said appointments to the Budget, Audit, and Finance Committee would be delayed until the July SBHE meeting to allow for full SBHE membership.

Appoint Centers of Excellence members
Mr. Shaft said appointments to the Centers of Excellence would be delayed until the July SBHE meeting to allow for full SBHE membership.

Consent Agendas
It was moved by Vallie, seconded by Haugen, to approve the following Financial and Facility Consent Agenda items:

- Approve NDSU request to proceed with fund raising efforts for the renovation of the Family Life Center (FLC) Nutrition, Dietetics and Hospitality Laboratories in the amount of $900,000; furthermore, include the project in the non-state funded capital project requests in the 2013-15 biennial budget

- Ratify Chancellor’s interim action approving additional authorization for construction of a “Scale Up” classroom within UND’s O’Kelly – Ireland Hall from $1,131,381 to $1,448,170 funded approximately $125,000 from student technology fees, and $191,789 from Unrestricted Alumni Funds

- Approve UND request authorizing the amendment of the lease agreement with UND Foundation in connection with the issuance of Not to Exceed $6,500,000 UND Foundation Lease Revenue Bonds for the purpose of refunding UND Foundation, Lease Revenue Bonds, Series 2002

- Approve UND request authorizing the issuance of Not to Exceed $30,000,000 State Board of Higher Education of the State of North Dakota, University of North Dakota Housing and Auxiliary Facilities Refunding Revenue Bonds

- Approve UND request to proceed with general renovation work including electrical upgrades to the existing campus electrical distribution infrastructure at an estimated cost of $475,000, funded from 2011-13 extraordinary repair funds
Hjelmstad, Vallie, Espegard, Haugen, and Shaft voted aye. Diederich was absent. The motion carried.

It was moved by Vallie, seconded by Espegard, to approve the following facility and financial requests:

- Approve LRSC request to seek Budget Section authorization for change in project scope per NDCC 48-01.2-25; and, further, subject to Budget Section approval, request SBHE authorization to proceed with the Wind Turbine project at a cost of $7,181,216, to be funded through energy performance contract, with initial $2,609,920 general fund investment.
• Approve LRSC request for authorization to: 1) Proceed with execution of an Energy Services Agreement with Energy Services Group/Honeywell (ESG) for up to $7,181,216.00 for the acquisition, construction and installation of energy efficient improvements, including a wind turbine, and further to develop and execute contracts and project financing; and 2) Proceed with the execution and delivery of an equipment lease purchase agreement with respect to the acquisition, purchase, financing and leasing of certain equipment under the Energy Services Agreement with ESG; 3) Authorize the President or Vice President of Administrative Services at LRSC to execute the lease at an issuance of not to exceed $5,000,000 in lease purchase financing at a proposed interest rate not to exceed 5.25% and an approximate final date upon which the principal amount of the obligation will mature or become payable of 15 years; and 4) Appoint the firm of Amstyn Stewart Wegner P.C., Fargo, North Dakota, as bond counsel.

Mr. Espegard expressed concern regarding the large dollar amount being paid back by a performance contract. Dr. Darling said Energy Services has guaranteed the pay back. Mr. Seaworth said because state law requires the energy contractor to guarantee the contract and post a performance bond, the institution is not at risk.

Vallie, Espegard, Haugen, Hjelmstad, and Shaft voted aye. Diederich was absent. The motion carried.

It was moved by Vallie, seconded by Espegard, to approve the following Academic Consent Agenda items:

• Approve NDSU request for a new program offering a Ph.D. in Exercise Science and Nutrition
• Approve NDSU request for a new program offering a Ph.D. in Counselor Education and Supervision
• Approve NDSU request for a new program offering a Ph.D. in Gerontology
• Approve UND request for Department/School Title Change:
  • From: School of Engineering and Mines
  • To: College of Engineering and Mines
• Approve UND request for Department/School Title Change:
  • From: Department of Geology and Geological Engineering
  • To: School of Geology and Geological Engineering as a component of the College of Engineering and Mines.
• Approve UND request to terminate Program RN to MS

Espegard, Haugen, Hjelmstad, Vallie, and Shaft voted yes. Diederich was absent. The motion carried.

Personnel Agenda
It was moved by Vallie, seconded by Espegard, to approve the Approve UND tenure request. Haugen, Hjelmstad, Vallie, Espegard, and Shaft voted aye. Diederich was absent. The motion carried.

MAJOR POLICY DISCUSSIONS & SPECIAL REPORTS

Approve presidents' objectives for 2012-13
Chancellor Goetz said he has reviewed the presidents’ objectives for 2012-13 and finds them to be consistent with the NDUS Strategic Plan. He said the objectives may be subject to some additional review and revision by Dr. Shirvani.

It was moved by Vallie, seconded by Haugen, to approve the presidents’ objectives for 2012-13. Haugen, Hjelmstad, Vallie, Espegard, and Shaft voted aye. Diederich was absent. The motion carried.
Approve State Grant Advisory Board appointments

It was moved by Hjelmstad, seconded by Espegard, to approve the appointments of Nathan Elness, Steve Martin, Sandy Klein, and Dr. John Richman to the State Grant Advisory Board. Hjelmstad, Vallie, Espegard, Haugen, and Shaft voted aye. Diederich was absent. The motion carried.

Presentation of 2013-15 major capital project requests

- **BSC** – Dr. Larry Skogen presented the BSC request for a $40,808,000 BSC Communications and Creative Arts Center. Dr. Skogen said the current estimate to renovate BSC’s current library in order to deal with identified structural issues, is $3 million and it would be more cost effective and efficient to build a new facility. He said there are structural and safety concerns for the building shell and foundation as a result of movement in the building foundation, floor slabs and structure and due to the movement of the clay soil. Dr. Skogen said the project would also co-locate soft skills programs in an adequate facility. Dr. Skogen said BSC would not have a traditional library facility but would instead have a learning commons including library services, collaboration space, etc.

- **LRSC** – Dr. Darling presented the LRSC request to expand the Erlandson Technical Center. He said the project adds an additional 24,900 square feet of new space onto the building to allow the college to align the two largest economic development centers, along with the Adult Farm Management program, into one area, and also address high-demand academic program areas. The cost for the Erlandson Technical Center expansion would be $5,947,562. He said the second LRSC priority project is to add approximately 22,400 square feet of new space on two levels, as well as just over 5,000 square feet of renovated space to the existing LRSC Student Center. The added and renovated space will provide needed updates to the Early Childhood Learning Lab and the Visual Arts programs, as well as provide classroom spaces for Music Education, Band, Fitness Trainer Technician program, and Health, Physical Education and Recreation courses. Renovation costs for the Student Center project would be $4,380,954.

- **WSC** – Mr. James Foertsch, WSC Vice-President for Business Services, presented the WSC request for $12,242,478 to renovate Steven’s Hall. The renovations are necessitated by workforce needs, the demands of a growing area, and sky-rocketing construction inflation. The renovations allow for individual faculty and staff offices, upgrading HVAC, Americans with Disabilities Act (ADA) compliance, and asbestos abatement. WSC’s second request is $1.8 million to complete the Campus Drive project Stage 2 as authorized in the 2011-2013 biennium. Landscaping the front drive is consistent with the WSC’s strategic and master plans.

- **NDSCS** – Dr. John Richman and Mr. Dallas Fossum, Physical Plant Executive Director, presented the NDSCS request for renovations to Old Main. There are no plans to add square footage. Enclosed walkways that would link Old Main to Haverty Hall and Old Main to Horton Hall would be added for a climate controlled access to three primary educational buildings on campus. The total requested for the Old Main project is $9,626,452 and includes the cost of demolishing Hektner Hall and Burch Hall. The second project requested by NDSCS is to upgrade water, sewer and infrastructure at a cost of $9,459,000. Dr. Richman said NDSCS is also requesting approval of a non-state appropriated renovation of the football complex including new locker rooms, coaches’ offices, a training room, storage rooms, public restrooms, concession stand, booster club and a retail store at a cost of $1,350,000.
• UND, including UND School of Medicine and Health Sciences (SOMHS) and UND Law School:
  • **UND SOMHS** – Dr. Joshua Wynne, UND SOMHS Dean, presented three options for expanding the SOMHS. Option one includes the renovation of 42,311 square feet of existing faculty offices and educational space, and the construction of an 80,103-square-foot addition at a cost of $38.5 million. He said option two balances the investment in new facilities with renovations to optimize the educational experience and meet established standards for achieving educational excellence with 48,332 square feet of renovation and 169,390 additional square feet of space at a cost of $68.3 Million. Option three would create an entirely new 376,812 square foot facility that would meet the enrollment needs associated with the workforce initiative and sustain growth for a cost of $124 million.

  • **UND Law School** – UND Law School Dean Katherine Rand said the 2007 UND School of Law’s American Bar Association (ABA) reaccreditation site visit report found the School of Law’s physical facility to be “less than adequate” and characterized an addition to and renovation of the existing law school building as “critical to the success and future” of the School of Law. She said having this project approved in time for the Spring 2014 ABA reaccreditation site visit will indicate to the site visit team that the UND School of Law will have recommended improvements underway, a factor that is crucial to ensuring reaccreditation of the School of Law. The UND Law School project includes expanding educational space to include two seminar rooms, three mid-sized classrooms, two large classrooms, large lecture hall/court room/chambers, improved and enhanced clinic/experiential learning suite, classroom space tailored to skills instruction, including small interview rooms, expanded student study and work space, improved and enhanced student service space, addressing security and noise issues, revisions to the law library, and creating green and energy-saving improvements. Immediate improvements needed are estimated at $4,350,000. Remaining improvements and expansion, for future biennia, are estimated at $8 million with $6 million in state funds and $2 million from private fund raising.

  UND – Ms. Alice Bekke, UND Vice President for Finance, said UND is requesting SBHE approval to seek legislative authority for student housing, which will require revenue bonds, and reauthorization of private fund raising for the COBPA renovation and the indoor track and football practice field.

• NDSU, including Forest Service, and State Board of Agricultural Research and Education (SBARE):
  • **NDSU** - Dr. Dean Bresciai presented NDSU’s request for a $29,600,000 new STEM classroom/lab building. He said most of the current classrooms and laboratories are 40-100 years old and do not have the technology, infrastructure or environment required to meet teaching needs. Spaces in the new building would be for teaching labs and traditional science and engineering classrooms as well as modular “open frame” flexible classrooms that would range in size from room for 20 to an auditorium that would house 250-500 students. NDSU’s second priority is $12,900,000 for the renovation of the Ladd-Dunbar Complex. The project would include moving current teaching labs to the proposed STEM building and then converting the building complex into a research facility. Dr. Bresciai said the complex presents significant safety concerns for occupants that are magnified by its location in the center of campus. The third priority is a
$20,400,000 new facility to replace Harris Hall. Due to inadequate HVAC in Harris Hall, grain dust generated by milling samples of wheat and durum wheat gets recirculated throughout the building, posing a health risk and conditions conducive to explosion and fire.

- North Dakota Forest Service – Mr. Larry A. Kotchman, State Forester, presented the North Dakota Forest Service request for a nursery freezer and shop facility at the Towner State Nursery at a cost of $785,000. The nursery freezer and shop facility will allow the Forest Service complete their mechanization project.

- SBARE – Mr. Rodney Howe, SBARE President, presented the SBARE requests for $5,925,000 to renovate and construct various agronomy labs, $3,470,000 to renovate various seed-cleaning plants, and $1,650,000 to renovate and construct various livestock facilities. Renovations will address research stations’ safety standards, OSHA regulations, and the replacement of aging equipment. Mr. Howe said the NDSU Extension Service is requesting $1,900,000 to renovate Western North Dakota 4-H camp buildings to meet ADA and safety standards. $950,000 would be state funds and $950,000 in matching funds would be raised privately.

- MaSU – Dr. Gary Hagen and Mr. Steve Bensen, Vice President for Business Affairs, presented the request for the replacement and improvements to the Old Gymnasium, noting that they recently changed this project to their number one priority. Rafter collapses, floor collapses, poor ventilation, outdated wiring and plumbing, the lack of a fire alarm system and a lack of safe exit from the building have made this MaSU’s top priority. The project would raze the old facility and construct a 37,344 square foot building at a cost of $5,800,000. Replacing the Old Gymnasium is a primary concern for the safety of students, employees and visitors. Dr. Hagen noted MaSU does not have alternative space available to move Health, Physical Education and Recreation and athletic programs currently housed in the Old Gymnasium. SBHE members expressed concern regarding severe safety issues. MaSU’s second priority is $2,267,000 for campus-wide drainage improvements.

- MiSU – Mr. Brian Foisy, Vice President for Administration and Finance, and Mr. Roger Kluck, Assistant Vice President for Facilities Management presented requests for $1,821,905 to relocate Plant Services and a warehouse away from the heart of campus, noting they have recently changed this to their number one priority. Mr. Kluck said the current Plant Services building is not ADA compliant. The project would reduce the amount MiSU pays for rented warehouse space, permit moving art programs closer together on campus, and moving all plant functions under one roof. They presented their number two priority project which is $9,000,000 for continued conversion from a fossil fuel heating system to a more efficient geothermal system. Mr. Kluck said the first phase of the geothermal system, which includes the Wellness Center, will go online next week. The MiSU Dome, Olson Library, Swain Hall, and Memorial Hall will be online by early fall.

- VCSU – Dr. Steven Shirley and Mr. Doug Dawes, Vice President for Business Affairs presented the VCSU request for $3,636,466 to renovate Vangstad Hall. The renovation would allow business and technology programs to be moved to one floor of Vangstad Hall. The other floor would allow for the consolidation of learning services. VCSU is also requesting $1,315,790 for the renovation and remodeling of the W.E. Osmom Fieldhouse. This project
would provide eight additional offices, two additional conference rooms, a technology lab, and an elevator as well as updating to meet ADA compliance.

- **DCB** – Dr. Ken Grosz presented the DCB request for $395,600 for a 500kw generator to provide backup power to campus in the event of an outage. DCB is also requesting $810,000 to replace heat piping in Thatcher Hall. The current piping creates ongoing maintenance problems including pipes bursting and difficulty regulating heat. The request is to replace steam pipes with hot water pipes and convert Thatcher Hall to a hot water system.

In response to a question from Mr. Vallie regarding the lack of projects from DSU, Chancellor Goetz said DSU is not in a position to move forward with capital projects due to other campus issues.

**College and university presidents’ briefings**

Dr. Hagen said at MaSU’s graduation ceremonies Senator Elroy Lindaas was awarded an honorary degree and MaSU student, Ashley Haines was awarded a posthumous degree.

Dr. Grosz said Dustin Kenner, a former DCB student and hockey player, was a member of the Los Angeles Kings who won the 2012 Stanley Cup along with Matt Greene from UND. Dr. Grosz believes Dustin is the only community college hockey player to be on two winning Stanley Cup teams, the Los Angeles Kings and the Anaheim Ducks.

Dr. Shirley said Darien Moore is the 2012 NAIA national champion in the hammer throw. Darien is a junior at VCSU.

**Public Comment**

Dr. Doug Schultz, SBR Consulting President, addressed the SBHE regarding the lack of a strategic plan for the NDSU Center for Nanoscale Science and Engineering and a potential conflict of interest in the Office of Research, Creative Activities, and Technology.

Mr. Shaft thanked Chancellor Goetz, Mr. Smith, Mr. Vallie, and Mr. Haugen for their service. He thanked NDUS staff for their assistance during his term as SBHE President.

The meeting adjourned at 2:08 p.m.

Executive Secretary

President

July 12, 2012
ba
Meeting Notice and Agenda

July 12, 2012

The State Board of Higher Education will meet Thursday, July 12, 2012, at 8:00 a.m. CT, in the BSC Student Union Prairie Room, 1425 Schafer Street, Bismarck, North Dakota.

The exact time each agenda item will be discussed cannot be assured.

Thursday, July 12, 2012

8:00 – 8:45 a.m. CALL TO ORDER

1. Board President’s Remarks
2. Chancellor’s Remarks
3. North Dakota Student Association Report – Mr. William Woodworth
5. Staff Senate Report – Ms. Janice Hoffarth

BOARD BUSINESS

8:45 – 9:00

7. Appoint Executive Committee members
8. Appoint Academic Committee members
9. Appoint Audit Committee members
10. Appoint Centers of Excellence members

Consent Agendas

Chancellor Shirvani recommends approval of the following requests:
Financial and Facility Consent Agenda

11. Approve DSU request to change name of the Badlands Activities Center at Dickinson State University to the Henry Biesiot Activities Center.
12. Ratify Chancellor Goetz’s interim action approving DSU Estoppel Certificate and Agreement Regarding Ground Lease and Ground Sublease for Hawk’s Point development.

Academic Consent Agenda

13. Approve BSC request to offer a Program Certificate in Instrumentation and Control Technology to be offered both traditionally and at a distance

14. Approve DCB request to offer an Associate of Applied Science (AAS) degree and certificate program in Land Management

**MAJOR POLICY DISCUSSIONS & SPECIAL REPORTS**

9:20 – 10:20

15. Review and approve 2013-15 budget and capital projects requests – Chancellor Shirvani

10:20 – 10:35

**Break**

10:35 – 11:00

16. Approve NDUS FY2013 office budget – Chancellor Shirvani

11:00 – 11:10

17. Approve presidents’ contracts for 2012-13 – Chancellor Shirvani

11:10 – 11:30

18. Presentation on mobile applications, Dr. Joshua Riedy, UND and Mr. Mick Pytlik, SITS

11:30 – 11:35

Public Comment

11:35 – 11:40

Announcements

**Review of Board meeting**

**Adjourn**

Future Board Meetings

- September 26 – BSC
- November 15 – LRSC
- December 20 – Conference Call

11:45  Lunch

Missouri Room

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
6b
ND State Board of Higher Education  
Minutes – July 12, 2012

The State Board of Higher Education met Thursday, July 12, 2012, at 8:05 a.m. CT, in the BSC Student Union Prairie Room, 1425 Schafer Street, Bismarck, North Dakota.

Members present:
- Mr. Duaine Espegard, President
- Mr. Grant Shaft, President
- Mr. Sydney Hull, Student Member
- Dr. Douglas Munski, Faculty Adviser
- Ms. Kathleen Neset

Dr. Kirsten Diederich, Vice-President
Dr. Terry Hjelmstad
Ms. Janice Hoffarth, Staff Senate Adviser
Mr. Don Morton, by phone

Staff members present:
- Dr. Hamid Shirvani, Chancellor
- Mr. Pat Seaworth, General Counsel
- Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
- Dr. Michel Hillman, Vice Chancellor for Academic & Student Affairs
- Dr. Marsha Krotseng, Vice Chancellor for Strategic Planning/Exec. Director of CTEC
- Mr. Randall Thursby, Chief Information Officer, by phone
- Mr. Bill Eggert, Director of Internal Audit and Risk Assessment
- Ms. Erika Lorenz, Secretary

Presidents/Dean participating:
- Dr. Larry Skogen, BSC
- Dr. Doug Darling, LRSC interim President
- Dr. Ken Grosz, DCB
- Dr. D.C. Coston, DSU
- Mr. Paul LeBel for Dr. Robert Kelley, UND
- Dr. Raymond Nadolny, WSC

Dr. Gary Hagen, MaSU
Dr. David Fuller, MiSU
Dr. Dean Bresciani, NDSU
Dr. John Richman, NDSCS
Dr. Steve Shirley, VCSU

CALL TO ORDER

Board President’s Remarks
Mr. Espegard welcomed the new SBHE members. He said details on Chancellor Shirvani’s goals will be forthcoming at a future meeting.

Mr. Espegard requested that new SBHE members to review the minutes for the 2012 SBHE Retreat as the minutes detail how SBHE business will be conducted with a focus on policy making, and the expected lines of communication.

Chancellor’s Remarks
Chancellor Shirvani said NDUS is a great system and at a pivotal point in its development. He has met with many community leaders, legislators, faculty, students, and staff since March of this year to learn about the system and the challenges it is facing.

Chancellor Shirvani said the Higher Learning Commission (HLC) visited DSU and a thorough assessment was conducted. The HLC was pleased with the progress and will return next year.
Chancellor Shirvani said DSU has been put on notice but not on probation. DSU is making good progress and has a strong admissions pool. He thanked Dr. Coston for his work.

Chancellor Shirvani said he will be focusing his efforts on five critical and urgent areas. There will be a team effort among the campus presidents and their respective faculties and staff and the chancellor's office staff.

Chancellor Shirvani presented five initiatives are: access, quality, affordability, accountability, and student learning.

- **Access**: Link student readiness with institutional missions to ensure student success. These will be furthered defined by a three-tiered set of admissions policies.
- **Quality**: Chancellor Shirvani proposed establishing the North Dakota High School to College Success Report to assure proper alignment between secondary and post-secondary standards. The report will consist of individual high school reports that provide school-level information on how graduates from individual high schools performed during their freshman year at North Dakota postsecondary institutions.
- **Affordability**: To address the rising cost of postsecondary education, focus will be given to expanded needs-based aid programs and to address adult learners’ financial needs.
- **Accountability**: Tuition waiver practices require review and revision. Furthermore, tuition and fee models will be reviewed and revised.
- **Student learning**: NDUS community colleges should play a primary role in the delivery of remedial/developmental coursework, with limits at other campuses.

Chancellor Shirvani said students are the primary goal and central to everything the system does. A more detailed plan will be developed and presented to the SBHE within the next few months.

**North Dakota Student Association (NDSA) Report**

Mr. William Woodworth, NDSA, President, said NDSA will meet again September 20 & 21 at VCSU. He said Johann Mallum, BSC, will be the NDSA lobbyist, and Jody Ferris, DSU, will serve as the legislative lobbyist. NDSA is researching governance, mental health services, and how western development is affecting tuition and fees. He said SB 2351 capped student fees at 1% of tuition. NDSA would like to see the 1% cap made a permanent and would like to see the continuation of work by the Student Fees Task Force.

**Council of College Faculties (CCF) Report**

Dr. Douglas Munski welcomed Chancellor Shirvani and the new SBHE members on behalf of CCF. Chancellor Shirvani has been invited to speak at the CCF teleconference on September 11th.

**Staff Senate Report**

Ms. Janice Hoffarth said North Dakota Staff Senate has not met since the last SBHE meeting. She said State Staff Senate has established a FaceBook page.

**BOARD BUSINESS**

*Approve May 16, 2012, 2012 SBHE Retreat, and June 14, 2012, meeting minutes*

*It was moved by Shaft, seconded by Hjelmstad, to approve the May 16, 2012, 2012 SBHE Retreat, and June 14, 2012, meeting minutes. Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, and Espegard voted aye. The motion carried.*

*Appoint Executive Committee members*
It was moved by Shaft, seconded by Diederich, to appoint Dr. Diederich, Mr. Morton, Mr. Hull, Dr. Munsiki, Ms. Hoffarth, and Mr. Shaft to the Academic Committee; to appoint Mr. Espegard, Ms. Neset, and Dr. Hjelmstad to the Audit Committee; and appoint Mr. Espegard, Dr. Diederich, and Mr. Shaft to the Executive Committee. Hull, Morton, Neset, Shaft, Diederich, Hjelmstad, and Espegard voted aye. The motion carried.

Mr. Espegard said Dr. Diederich will serve as the Chair of the Academic Committee. He said when a new SBHE member is appointed, it is his intent that the new member will serve on the Audit Committee. Mr. Espegard may also choose to add one more member to the Executive Committee in the future.

Appoint Centers of Excellence members
President Espegard announced that appointments to the Centers of Excellence Commission would be postponed until after the remaining vacancy on the SBHE is filled.

Facilities and Finance Consent Agenda
It was moved by Hjelmstad, seconded by Diederich, to approve the DSU request to change the name of the Badlands Activities Center at Dickinson State University to the Henry Biesiot Activities Center. Morton, Neset, Shaft, Diederich, Hjelmstad, Hull, and Espegard voted aye. The motion carried.

It was moved by Hull, seconded by Shaft, to ratify Chancellor Goetz’s interim action approving DSU Estoppel Certificate and Agreement Regarding Ground Lease and Ground Sublease for Hawk’s Point development. Neset, Shaft, Diederich, Hjelmstad, Hull, Morton, and Espegard voted aye. The motion carried.

Academic Consent Agenda
It was moved by Diederich, seconded by Hjelmstad, to approve the BSC request to offer a Program Certificate in Instrumentation and Control Technology to be offered both traditionally and at a distance. Shaft, Diederich, Hjelmstad, Hull, Morton, Neset, and Espegard voted aye. The motion carried.

It was moved by Shaft, seconded by Hjelmstad, to approve the DCB request to offer an Associate of Applied Science (AAS) degree and certificate program in Land Management. Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, and Espegard voted aye. The motion carried.

MAJOR POLICY DISCUSSIONS & SPECIAL REPORTS
Review and approve 2013-15 budget and capital projects requests
Chancellor Shirvani said two new campus initiatives have been added to the proposed 2013-15 budget: $10 million to NDSU to provide cross discipline linking of new genomics and bioinformatics and $10 million to UND for expanding its energy-related research and degree programs offering to the western part of the state (UND College of Engineering and Mines-West) and joint programs between UND and WSC.

Chancellor Shirvani presented a brief overview of other requests including:
- $10 million in oil and energy impact funds for WSC, DSU, MiSU, and BSC
- $390,000 increase for the nursing consortium
• $8.5 million for 30 new NDUS staff to provide more oversight for policy, compliance, and oversight

Chancellor Shirvani said the three top recommended health and safety capital project priorities are MaSU’s Old Gymnasium, NDSU’s STEM classroom/lab building, and DCB’s backup generator. A separate priority list includes the UND SOMHS project and BSC Communications and Fine Arts Center as the top two priorities. He said the request includes $1 million to develop a system-wide campus master plan, including space study, which will be beneficial as it will provide an independent review of campus needs based on objective criteria by an outside firm and a cohesive master plan for the system.

In response to a question from Ms. Hoffarth regarding deferred maintenance needs for NDSCS Old Main and VCSU Vangstad Hall, Mr. Shaft said those two projects would be considered major renovations and part of the priority list, and could not be addressed through regular maintenance funds. The Governor and the legislature ultimately make the decision as to what projects are funded.

Mr. Hull asked if the UND SOMHS request is adequate to meet needs. Dr. Wynne, UND SOMHS Dean, said during the last legislative session $100,000 was authorized for a space study. The study resulted in three options. UND SOMHS did not make an assessment as to which was the best option as they all had strengths and weaknesses. He said ultimately the legislature will decide which option is funded. The recommended option of $38.5 million is adequate to meet immediate needs but UND SOMHS will need to maintain a 60 year old building and will be back with an additional request for space in approximately 10 years.

Mr. Espegard noted the budget request does not include funding for 2013-15 biennium salary increases or benefit changes as the legislature sets these for all state employees.

**It was moved** by Shaft, seconded by Hull, to approve the 2013-15 SBHE budget request as recommended by the Chancellor, with changes as noted, and the prioritized 2013-15 major capital projects as recommended by the Chancellor. Hjelmstad, Hull, Morton, Neset, Shaft, Diederich, and Espegard voted aye. The motion carried.

Mr. Hull expressed concern that 30 additional staff members for the system office may not be positively received. Mr. Espegard said the system office will need additional staff to oversee the system properly and to make changes expected by the legislature.

**Approve NDUS FY2013 office budget**

**It was moved** by Diederich, seconded by Hjelmstad, to authorize the addition of one senior level system internal audit and one senior level compliance position, to be hired as soon as possible, to be funded through campus assessment during FY2013; authorize the one-time use and permanent transfer of SBHE pool funds to the NDUS Office for use, as determined by the Chancellor; and, authorize continuing NDUS Office operations in FY2013, pending considering of a more detailed plan at a later date. Morton, Neset, Shaft, Diederich, Hjelmstad, Hull, and Espegard voted aye. The motion carried.
Chancellor Shirvani requested the flexibility to return to the SBHE with revisions to the NDUS Office budget after a clear assessment has been done. He supports the assessment of costs for audit staff to campuses and asked that the assessments be extended to include additional legal staff.

Approve presidents’ contracts for 2012-13

It was moved by Shaft, seconded by Hull, to approve the presidents’ contracts for 2012-13. Neset, Shaft, Diederich, Hjelmstad, Hull, Morton, and Espegard voted aye. The motion carried.

Chancellor Shirvani said he recommends extending the contracts for all presidents to June 30, 2014, with the exception of Presidents Coston and Nadolny who already have contracts until June 30, 2015. This will allow time for the chancellor to perform evaluations.

Mr. Espegard said with the transition to a new chancellor time is needed to perform evaluations. He recommends that all presidents receive a salary increase of 3% with the exception of President Nadolny. A 3% increase is consistent with the increases received by state employees, most university employees received less than a 3.5% increase, and the SBHE in recent years has made significant progress in aligning presidential salaries with market levels. He recommended that President Nadolny receive a 6% salary increase in recognition of the high staff and faculty turnover, wage inflation, and unique challenges brought on by the oil industry. The salary increase will help to close the gap between President Nadolny’s salary and that of the other two-year campus presidents.

It was moved by Shaft, seconded by Diederich, to approve 3% salary increases, effective July 1, 2012 for all presidents, with the exception of President Nadolny, and a salary increase of 6% for President Nadolny, effective July 1, 2012. Shaft, Diederich, Hjelmstad, Hull, Morton, Neset, and Espegard voted aye. The motion carried.

Presentation on mobile applications

Dr. Joshua Riedy, UND CIO, and Mr. Mick Pytlik, ConnectND Executive Director, presented a demonstration of mobile applications which will be used on a long term basis to increase retention and graduation rates.

The meeting adjourned at 11:19 a.m.
7a
Meeting Notice and Agenda

July 19, 2012

The State Board of Higher Education will meet Thursday, July 19, 2012, at 6:00 p.m. for a dinner social at the residence of SBHE member Kirsten Diederich, 2521 East Country Club Drive South, Fargo, ND.

Thursday, July 19, 2012

6:00 p.m. Dinner at the residence of SBHE member Kirsten Diederich to welcome new SBHE members and Chancellor Shirvani

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
7b
The State Board of Higher Education met Thursday, July 19, 2012, from 6:00 p.m. to 8:45 p.m. for a dinner social at the residence of SBHE member Kirsten Diederich, 2521 East Country Club Drive South, Fargo, ND.

Members present:

Mr. Duaine Espegard, President
Mr. Grant Shaft
Dr. Kirsten Diederich, Vice-President
Mr. Don Morton

Staff members present:

Dr. Hamid Shirvani, Chancellor

The dinner was held to welcome new SBHE members and Chancellor Shirvani. During dinner a variety of general topics related to the current status of the higher education system in North Dakota and exciting possibilities for the future were discussed.
Meeting Notice and Agenda
State Board of Higher Education Member Orientation
September 5, 2012

The State Board of Higher Education will meet Wednesday, September 5, 2012, at 9:00 a.m. CT, at Microsoft Fargo, 4550 42nd Street South, Fargo, ND 58104, to hold member orientation for new State Board of Higher Education members.

The exact time each agenda item will be discussed cannot be assured.

8:30 – 9:00 a.m. Breakfast
Executive Briefing Center - West Room

9:00 – 9:05

CALL TO ORDER

1. Opening Comments

9:05 – 12:00

2. SBHE new member orientation
   - Laura Glatt, Vice-Chancellor for Administrative Affairs 9:05 -9:30
   - Bill Eggert, Director of Internal Audit and Risk Assessment 9:30 – 9:55
     Break 9:55 – 10:15
   - Aimée Copas, Academic Affairs Associate 10:15 – 10:40
   - Randall Thursby, NDUS CIO 10:40 – 11:00
   - Pat Seaworth, NDUS General Counsel 11:00 – 11:30

11:30 – 11:45 Board Policy Manual Revisions

Introduction and final adoption

3. 302.10 Executive Committee
4. 302.11 Academic Committee
5. 302.12 Audit Committee
6. 330 Policy Introduction, Amendment, Passage
7. 601.1 Presidential Search and Screening Committee
8. 604.1 Performance Evaluations: Presidents
9. 604.2 Performance Evaluations: Chancellor

11:45 – 1:00 Lunch
1:00 – 1:15  10. Approve draft responses to performance audits regarding fees at NDSU and UND—Chancellor Shirvani
1:15 – 1:25  11. Approve NDUS action plan in response to fees performance audit – Chancellor Shirvani
1:25 - 1:45  12. Presentation of 3-tier system access plan – Chancellor Shirvani
1:45 – 1:50  13. Approve revised SBHE 2013 meeting dates
1:50 – 3:00  14. Board member general discussion
3:00 – 3:15  Break
3:15 – 5:00  Board member general discussion continued
5:00 p.m.   Adjourn

Future Board Meetings

- September 26 – BSC
- November 15 – LRSC
- December 20 – Conference Call

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
ND State Board of Higher Education
Minutes – September 5, 2012

The State Board of Higher Education met Wednesday, September 5, 2012, at 9:00 a.m. CT, at Microsoft Fargo, 4550 42nd Street South, Fargo, ND 58104.

Members present:
Mr. Duaine Espegard, President
Mr. Grant Shaft
Mr. Sydney Hull, Student Member
Dr. Douglas Munski, Faculty Adviser
Ms. Kathleen Neset

Dr. Kirsten Diederich, Vice-President
Dr. Terry Hjelmstad
Ms. Janice Hofgarth, Staff Senate Adviser
Mr. Don Morton
Ms. Kari Reichert

Staff members present:
Dr. Hamid Shirvani, Chancellor
Mr. Pat Seworth, General Counsel
Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
Mr. Randall Thursby, Chief Information Officer
Dr. Joshua Riedy, UND CIO
Mr. Bill Eggert, Director of Internal Audit and Risk Assessment
Ms. Aimee Copas, Academic Affairs Associate
Ms. Linda Donlin, Director of Communications and Media Relations
Ms. Erika Lorenz, Secretary

Mr. Morton welcomed everyone to the meeting.

SBHE new member orientation
Ms. Laura Glatt, Vice-Chancellor for Administrative Affairs, Mr. Bill Eggert, Director of Internal Audit and Risk Assessment, Ms. Aimee Copas, Academic Affairs Associate, Mr. Randall Thursby, NDUS CIO, and Mr. Pat Seworth, NDUS General Counsel presented overviews of their individual areas.

Chancellor Shirvani introduced Ms. Linda Donlin as the new NDUS Director of Communications and Media Relations.

Board Policy Manual Revisions
Introduction and final adoption
- 302.10 Executive Committee
- 302.11 Academic Committee
- 302.12 Audit Committee

It was moved by Morton, seconded by Hjelmstad, to waive the second meeting requirement and to approve the introduction and final adoption of Policy 302.10 Executive Committee, Policy 302.11 Academic Committee, and 302.12 Audit Committee, and delete Policy 302.7 Budget Audit and Finance Committee and Policy 302 Compensation Committee, effective immediately. Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, and Espegard voted aye. The motion carried unanimously.

- 330 Policy Introduction, Amendment, Passage
- 601.1 Presidential Search and Screening Committee
It was moved by Diederich, seconded by Hull, to waive the second meeting requirement and to approve the introduction and final adoption of Policy 330 Policy Introduction, Amendment, Passage and Policy 601.1 Presidential Search and Screening Committee, effective immediately. Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, Diederich, and Espegard voted aye. The motion carried unanimously.

- 604.1 Performance Evaluations: Presidents
- 604.2 Performance Evaluations: Chancellor

It was moved by Hull, seconded by Diederich, to waive the second meeting requirement and to approve the introduction and final adoption of Policy 604.1 Performance Evaluations: Presidents and Policy 604.2 Performance Evaluations: Chancellor, effective immediately. Hull, Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, and Espegard voted aye. The motion carried unanimously.

Approve draft responses to performance audits regarding fees at NDSU and UND
Chancellor Shirvani presented a brief overview of the draft responses to the performance audit on fees at NDUS and UND.

It was moved by Diederich, seconded by Morton, to approve draft responses to performance audits regarding fees at NDSU and UND. Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, Hull, and Espegard voted aye. The motion carried unanimously.

Approve NDUS action plan in response to fees performance audit
Chancellor Shirvani said the action plan is tied closely to the three-tier access plan. Mr. Shaft expressed concern regarding the March 30, 2012, completion date for the Chancellor’s Office review of all remaining non-mandatory fees occurring during a legislative session. Chancellor Shirvani agreed to change the completion date from March 30, 2013, to June 30, 2013.

It was moved by Neset, seconded by Diederich, to approve the NDUS action plan in response to fees performance audit. Neset, Shaft, Reichert, Diederich, Hjelmstad, Hull, Morton, and Espegard voted aye. The motion carried unanimously.

Presentation of three-tier system access plan
Chancellor Shirvani said the three-tier access plan was developed in response to concerns and issues raised by legislators, the SBHE, and other stakeholders. Board members Hull and Hoffarth expressed concern regarding the use of class rank percentages in the admissions index because of very small graduating classes and inconsistencies regarding class rank calculations by various school districts. Chancellor Shirvani said an appropriate algorithm will be used to adjust for class ranks. Chancellor Shirvani reported that his office is meeting with campuses to work out the details. Two sets of meetings have been scheduled with campus leadership, presidents and vice presidents to work through any issues.

Mr. Hull expressed concern that the high index scores will severely limit the number of students who would be eligible to attend the two research universities. Chancellor Shirvani stated the indexes can be adjusted as needed. Chancellor Shirvani said institution presidents have the discretion to admit the equivalent of 5 percent of the previous year’s students who do not meet the minimum index scores (i.e. minority students, veterans, and possibly student athletes). He also noted the index model is the same as the one used by the University of Iowa to determine admissions.
Chancellor Shirvani stated a report will be generated for high schools that will show how first-year students are performing in institutions of higher learning in North Dakota.

Responding to a question from Mr. Hull regarding institution readiness for potential declines in admissions, Chancellor Shirvani said he believes the four-year institutions will be able to manage a potential decline. He said that there is a plan to institute developmental course offerings from community colleges at regional and research institutions.

According to Chancellor Shirvani, the admissions process will continue with the current model for 2013. The new index will be calculated to mirror admissions for 2014, which means no impact in that year as well. The first year the index model will have an impact will be 2015.

Board members discussed the impact of the three-tier access plan on staff dependent tuition waiver benefits. Chancellor Shirvani will look into the dependent tuition waivers across the system, and if the benefit is not available it may be possible for it to be revised. He said changes in tuition waiver policy would not be instituted until 2014 to give institutions time to minimize the impact.

Chancellor Shirvani reported that NDSCS has been asked to develop a proposal to expand technical programs in Fargo and LRSC has been asked to expand programs in Grand Forks and to offer classes in the evenings and on weekends. The promotion and marketing of these programs will also be expanded.

The SBHE continued discussion of the three-tier access plan, its impact on campus recruiting, marketing the types of institutions, and future consideration of graduate student admissions. There was also extensive conversation regarding the impact of the three-tier plan, including a tuition-per-credit model and tuition waivers.

**Approve revised SBHE 2013 meeting dates**  
*It was moved* by Shaft, seconded by Diederich, to approve the revised SBHE 2013 meeting dates. Shaft, Reichert, Diederich, Hjelmstad, Hull, Morton, Neset, and Espegard voted aye. The motion carried unanimously.

The meeting adjourned at 3:30 p.m.

[Signature]
Executive Secretary

[Signature]
President

**November 15, 2012**
Date
Meeting Notice and Agenda

The State Board of Higher Education Academic Committee will meet on Wednesday, September 26, 2012, at 9:00 a.m. CT in the Collaboration Room 217A, Bismarck Public School Career Academy, 122 College Drive, Bismarck, North Dakota.

Academic requests
1. DSU requests:
   a. New programs with a Minor in Geographic Information Systems (GIS) and a Minor in Soil Science
   b. Institutional Organizational Termination: China Center at Sichuan International Studies University
   c. Program Terminations:
      ▪ B.A. in Business Administration
      ▪ P.C. in Entrepreneurship (16 hours)
2. NDSU requests:
   a. Institutional Organizational Change
      ▪ From: Department of Music
      ▪ To: School of Music
   b. New program with a P.C. in Construction Management
   c. Degrees offered:
      ▪ From: M.S. in Construction Management
      ▪ To: Master of Construction Management
   d. Degrees Offered: Master of Construction Management
3. UND requests:
   a. Institutional Organizational Change
      ▪ From: Department of Information Systems & Business Education
      ▪ To: Department of Information Systems & Business Communication
   b. Program terminations:
      ▪ B.S.Ed. in Business Education
      ▪ B.S. Ed. in Industrial Technology
4. WSC request for program terminations of A.A.S and P.C. in Information Processing

5. **Board Policy Manual Revisions**
   - 403.5 Secondary-Postsecondary Articulation Agreements; Dual Credit Postsecondary Enrollment Options
   - 404.1 Delivery Format Approval for Credit Activities
   - 430.3 Posthumous Degrees

6. NDUS request to grant honorary doctorate

Adjourn

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
State Board of Higher Education
Academic Committee

The State Board of Higher Education Academic Committee met on Wednesday, September 26, 2012, at 9:00 a.m. CT in the Collaboration Room 217A, Bismarck Public School Career Academy, 122 College Drive, Bismarck, North Dakota.

Committee members present:
  Dr. Kirsten Diederich, Chair
  Ms. Janice Hoffarth
  Mr. Sydney Hull
  Dr. Douglas Munski
  Ms. Kari Reichert
  Mr. Grant Shaft

Staff present:
  Chancellor H.A. Shirvani
  Dr. John Haller, Interim Vice-Chancellor for Academic Affairs
  Ms. Aimee Copas, Academic Affairs Associate
  Ms. Linda Donlin, Director of Communications and Media Relations
  Ms. Erika Lorenz, Secretary

Academic requests
It was moved by Munski, seconded by Hull, to recommend approval of the:

DSU requests for:
  • New programs with a Minor in Geographic Information Systems (GIS) and a Minor in Soil Science
  • Institutional Organizational Termination: China Center at Sichuan International Studies University
  • Program Terminations:
    • B.A. in Business Administration
    • P.C. in Entrepreneurship (16 hours)

NDSU requests for:
  • Institutional Organizational Change
    • From: Department of Music
    • To: School of Music
  • New program with a P.C. in Construction Management
  • Degrees offered:
    • From: M.S. in Construction Management
    • To: Master of Construction Management
  • Degrees Offered: Master of Construction Management

UND requests for:
  • Institutional Organizational Change
    • From: Department of Information Systems & Business Education
    • To: Department of Information Systems & Business Communication
  • Program terminations:
    • B.S.Ed. in Business Education
- B.S.Ed. in Business Education
- B.S. Ed. in Industrial Technology
- Minor in Office Administration

- WSC request for program terminations of A.A.S and P.C. in Information Processing
Hoffarth, Hull, Munski, Reichert, Shaft, and Diederich voted aye. The motion carried unanimously.

**It was moved** by Munski, seconded by Shaft, to recommend approval of the Board Policy
Manual Revisions for:

- 403.5 Secondary-Postsecondary Articulation Agreements; Dual Credit
  Postsecondary
- Enrollment Options
- 404.1 Delivery Format Approval for Credit Activities
- 430.3 Posthumous Degrees

Hull, Munski, Reichert, Shaft, Hoffarth, and Diederich voted aye. The motion carried unanimously.

Dr. Munski said he would like to see data tracking the high school to college transition of
students who take dual credit courses to ensure the quality of dual-credit courses. Dr. Haller said
good longitudinal data will be needed to track students in advanced placement and dual-credit
courses. Committee members discussed the acceptance of dual-credit courses.

**It was moved** by Munski, seconded by Hull, to recommend approval of the NDSU request to
grant an honorary doctorate to Mr. Gregg Halverson. Munski, Reichert, Shaft, Hoffarth, Hull,
and Diederich voted aye. The motion carried.

Committee members discussed the protocol of awarding honorary degrees.

The meeting adjourned at 9:55 a.m.
qb
Meeting Notice and Agenda

The State Board of Higher Education Executive Committee will meet on Wednesday, September 26, 2012, at 10:30 a.m. CT in the Collaboration Room 217A, Bismarck Public School Career Academy, 122 College Drive, Bismarck, North Dakota.

1. Presentation on semi-annual budget – Ms. Putnam
2. 2011-13 deficiency appropriation requests – Ms. Glatt
3. NDSU requests:
   a. Build a $350,000 coffee shop addition to Residence Dining Center.
   b. Proceed with fundraising $950,000 through the North Dakota 4-H Foundation for renovation of Western North Dakota 4-H Camp at Washburn, N.D., and construction of a new multi-purpose building.
   c. Increase the spending authorization by $6,304,356 for the Sanford Health Athletic Complex (formerly Bison Sports Arena), funded from private funds.
4. Board Policy Manual Revisions
   • 100.6 Authority and Responsibility of the SBHE
   • 304.1 Chancellor/Commissioner of Higher Education Authority and Responsibilities
   • 305.1 College and University Presidents’ Authority and Responsibilities
   • 608.2 NDUS Employees – Non-renewal and Dismissals
   • 705.1 Executive Compensation
   • 802.8 Internal Audit Functions

Adjourn

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
State Board of Higher Education  
Executive Committee

The State Board of Higher Education Executive Committee met on Wednesday, September 26, 2012, at 10:29 a.m. CT in the Collaboration Room 217A, Bismarck Public School Career Academy, 122 College Drive, Bismarck, North Dakota.

Members present:
  Mr. Duaine Espegard, Chair
  Dr. Kirsten Diederich
  Mr. Don Morton
  Mr. Grant Shaft

Staff present:
  Chancellor H.A. Shirvani
  Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
  Dr. John Haller, Interim Vice Chancellor for Academic and Student Affairs
  Ms. Aimee Copas, Academic Associate
  Mr. Pat Seaworth, General Counsel
  Ms. Linda Donlin, Director of Communications and Media Relations
  Ms. Robin Putnam, Director of Financial Reporting
  Ms. Erika Lorenz, Secretary

Chancellor Shirvani thanked Dr. Skogen for the hospitality the Board and committees enjoy at BSC.

Semi-annual budget report
Ms. Putnam gave an overview of the semi-annual budget report for the period ending June 30, 2012. BSC, DSU, and MiSU reported an expected negative variance (+/-) of $100,000 or 2 percent or more, between original annual budget net tuition revenue estimates, while NDSU and UND reported an expected positive variance. MiSU reported a variance of (+/-) 4 percent or more is expected between original and revised annual revenue estimates for total auxiliaries. MaSU reported an individual net asset deficit in athletics, and cumulative deficit balances greater than $50,000 were reported for DSU Business Challenge and MaSU Child Development Center.

Regarding deficit reduction plans for DSU’s Business Challenge fund and MaSU’s Child Development Center fund, Ms. Glatt expressed concern about the continuing deficit balances and repeated revisions to deficit elimination plans. The Chancellor agreed and pointed out that, unless properly addressed, these become permanent structural deficits. Mr. Shaft requested time to examine the revised deficit reduction plans and make a decision as to when campuses will be required to eliminate deficit balances. Chancellor Shirvani said he will review and make a recommendation concerning these plans.

2011-13 deficiency appropriation requests
Ms. Glatt gave an overview of the 2011-13 deficiency appropriation requests for MiSU, VCSU, and the ND Forest Service.
She said the MISU request to have the State assume debt for housing units for faculty, staff and students who were displaced by the flood, is unusual, and has not been a part of other flood-related requests. The original proposal, approved by the SBHE in February 2012, called for financing the units through a combination of university funds and low interest loans, with debt to be repaid from auxiliary revenues. MISU has requested the State assume the cost of these projects to provide added flexibility in the MISU budget, which is suffering revenue loss from a decline in enrollment related to flooding. Chancellor Shirvani said presenting this request to the legislature would set a very difficult precedent, and he is not recommending this component for State funding.

**It was moved** by Shaft, seconded by Diederich, to recommend approval of the Chancellor’s recommendations for the 2011-13 deficiency appropriation requests:
- MISU – Emergency flood-fighting costs not covered by FEMA $201,369
- MISU – Building/Infrastructure restoration costs not covered by FEMA $1,646,61
- VCSU – Permanent hillside stabilization $505,800
- ND Forest Service – Wildland fire emergencies $250,000
Morton, Shaft, Diederich, and Espegard voted aye. The motion carried unanimously.

**It was moved** by Morton, seconded by Diederich, to recommend approval of the Chancellor’s recommendations regarding NDSU requests for:
- Authorization to proceed with a coffee shop addition to Residence Dining Center at an estimated cost of $350,000 funded from Dining Services local facilities operating funds.
- Authorization to proceed with fundraising $950,000 through the North Dakota 4-H Foundation for renovation of the Western North Dakota 4-H Camp at Washburn, ND and construction of a multi-purpose building at the camp.
- Authorization to include $35,404,356, an increase of $6,304,356 over the currently authorized amount of $29,100,000, for the Sanford Health Athletic Complex (formerly Bison Sports Arena), funded from private funds. Furthermore, authorize NDSU to proceed with a fundraising campaign of $35,404,356 for the project.
Diederich, Morton, Shaft, and Espegard voted aye. The motion carried unanimously.

**It was moved** by Diederich, seconded by Shaft, to recommend approval of the Board Policy Manual Revisions; including amended language in Policy 305.1 College and University Presidents’ Authority and Responsibilities. These amendments to Policy 305.1 are: to Section 7(a), add as a new sentence at end of section 7(a): ““Retreat rights” means the president has a right to revert to a tenured faculty position in the department in which the president has received tenure.”; and add as new first and second sentences to Section 8: “In consultation with the Board, the Chancellor may initiate dismissal of a president for just cause during the contract term and shall provide a written notice of intent to do so and an opportunity for a hearing conducted by the Chancellor. The Chancellor shall provide not less than five days for a response by the president following delivery of notice of intent, prior to a dismissal decision.”
- 100.6 Authority and Responsibility of the SBHE
- 304.1 Chancellor/Commissioner of Higher Education Authority and Responsibilities
• 305.1 College and University Presidents’ Authority and Responsibilities
• 608.2 NDUS Employees – Non-renewal and Dismissals
• 705.1 Executive Compensation
• 802.8 Internal Audit Functions

Shaft, Diederich, Morton, and Espedard voted aye. The motion carried unanimously.

Chancellor Shirvani said the policy revisions more clearly define the roles and responsibilities of the Chancellor and the Board. Regarding Policy 304.1 Chancellor/Commissioner of Higher Education Authority and Responsibilities, he said under no circumstances does he have the authority to hire institution presidents but he would have the responsibility for conducting search committees. Regarding termination of presidents, the Chancellor will make a report and recommendation to the Board, but the Board has the ultimate hiring/termination authority.

The meeting adjourned at 11:47 a.m.

The committee reconvened at 12:45 p.m. at the call of President Espedard. All committee members were present.

President Espedard stated the committee had inadvertently adjourned earlier without providing an opportunity for public comment on policy amendments. Based on advice of legal counsel, President Espedard explained the committee was reconvening to provide an opportunity for public comment according to SBHE Policy 330.

Mr. Lloyd Halvorson, Lake Region State College Assistant Vice President, addressed the committee to express concerns regarding a proposed amendment to SBHE Policy 608.2 reducing from 12 to 6 months the notice required for without cause termination of institution officers. Mr. Halvorson suggested a delaying the effective date due to the potential impact on current employees. Mr. Seaworth explained that due to constitutional constraints, the amended policy will not apply to employees appointed previously who have employment contracts governed by the 12 month notice provision. Chancellor Shirvani confirmed this was his understanding and intent regarding this provision.

NDSU student Robert Vallie voiced reservations regarding proposed amendments in SBHE Policies 304.1 and 305.1 regarding the Chancellor’s and presidents’ duties and responsibilities.

The committee adjourned at 1:05 pm.
9c
Meeting Notice and Agenda

September 26, 2012

The State Board of Higher Education will meet Wednesday, September 26, 2012, at 1:00 p.m. CT, in the Multipurpose Room, Bismarck Public School Career Academy, 122 College Drive, Bismarck, North Dakota.

The exact time each agenda item will be discussed cannot be assured.

Tuesday, September 25, 2012
7:00 p.m.    Dinner for SBHE members
            Chancellor Shirvani’s residence, 524 Slate Drive, Bismarck, ND.

Wednesday, September 26, 2012
12:00 - 1:00 p.m.    Lunch

1:00 – 1:45 p.m.

CALL TO ORDER

1.    Board President’s Remarks
2.    Chancellor’s Remarks
3.    North Dakota Student Association Report – Mr. William Woodworth
5.    Staff Senate Report – Ms. Janice Hoffarth

BOARD BUSINESS

1:45 – 2:00    6.    Approve July 17, 2012, and July 19, 2012, meeting minutes
2:00 – 2:05    7.    Approve Chancellor’s 2012-13 goals – Mr. Espegard
2:05 – 2:10    8.    Appoint Centers of Excellence members - Mr. Espegard
9.    Ratify SBHE committee memberships – Mr. Espegard
10. Board Policy Manual Revisions

Introduction and adoption

100.6 Authority and Responsibility of the SBHE

304.1 Chancellor/Commissioner of Higher Education Authority and Responsibilities

305.1 College and University Presidents’ Authority and Responsibilities

608.2 NDUS Employees – Non-renewal and Dismissals

705.1 Executive Compensation

802.8 Internal Audit Functions

403.5 Secondary-Postsecondary Articulation Agreements; Dual Credit Postsecondary Enrollment Options

404.1 Delivery Format Approval for Credit Activities

430.3 Posthumous Degrees

Consent Agendas

Financial and Facility Consent Agenda

11. 2011-13 deficiency appropriation recommendations by the Chancellor for MiSU, VCSU and ND State Forest Service

12. NDSU requests:

   a. Authorization to proceed with a coffee shop addition to Residence Dining Center at an estimated cost of $350,000, funded from Dining Services local facilities operating funds.

   b. Authorization to proceed with fundraising $950,000 through the North Dakota 4-H Foundation for renovation of the Western North Dakota 4-H Camp at Washburn, ND and construction of a multi-purpose building at the camp.

   c. Authorization to include $35,404,356, an increase of $6,304,356 over the currently authorized amount of $29,100,000, for the Sanford Health Athletic Complex (formerly Bison Sports Arena), funded from private funds. Furthermore, authorize NDSU to proceed with a fundraising campaign of $35,404,356 for the project.
Academic Consent Agenda

13. DSU requests:
   a. New programs with a Minor in Geographic Information Systems (GIS) and a Minor in Soil Science
   b. Institutional Organizational Termination: China Center at Sichuan International Studies University
   c. Program Terminations:
      - B.A. in Business Administration
      - P.C. in Entrepreneurship (16 hours)

14. NDSU requests:
   a. Institutional Organizational Change
      - From: Department of Music
      - To: School of Music
   b. New program with a P.C. in Construction Management
   c. Degrees offered:
      - From: M.S. in Construction Management
      - To: Master of Construction Management
   d. Degrees Offered: Master of Construction Management

15. UND requests:
   a. Institutional Organizational Change
      - From: Department of Information Systems & Business Education
      - To: Department of Information Systems & Business Communication
   b. Program terminations:
      - B.S.Ed. in Business Education
      - B.S. Ed. in Industrial Technology
      - Minor in Office Administration

16. WSC request for program terminations of A.A.S and P.C. in Information Processing

Personnel Agenda

17. NDSU request to grant an honorary doctorate

2:30 – 3:00

18. Pathways to Student Success proposal – Chancellor Shirvani
3:05 – 3:10 Public Comment
3:10 – 3:15 Announcements

Review of Board meeting

Adjourn

Future Board Meetings

- November 15 – LRSC
- December 20 – Conference Call
- January 17 – BSC

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
ND State Board of Higher Education
Minutes – September 26, 2012

Tuesday, September 25, 2012
Members present:
  Mr. Duaine Espegard, President
  Mr. Grant Shaft
  Ms. Kathleen Neset
  Mr. Sydney Hull, Student Member
  Ms. Janice Hoffarth, Staff Senate Adviser

Staff members present:
  Dr. Hamid Shirvani, Chancellor
  Dr. Kirsten Diederich, Vice-President
  Dr. Terry Hjelmstad
  Ms. Kari Reichert
  Mr. Don Morton
  Dr. Douglas Munski, Faculty Adviser

A dinner social was held for Board members at Chancellor Shirvani’s residence, 524 Slate Drive, Bismarck, ND. Dinner began at 7:00 p.m. CT.

During the dinner, Board members discussed some of the issues raised by students, faculty and staff including student concerns revolving around tuition waiver and admission policies. Conversation was held regarding past tuition issues and public reaction to them.

Dinner ended at 9:45 p.m.

Wednesday, September 26, 2012
The State Board of Higher Education met Wednesday, September 26, 2012, at 8:50 a.m. in the Multipurpose Room, Bismarck Public School Career Academy, 122 College Drive, Bismarck, North Dakota.

Members present:
  Mr. Duaine Espegard, President
  Mr. Grant Shaft,
  Ms. Kathleen Neset
  Mr. Sydney Hull, Student Member
  Dr. Douglas Munski, Faculty Adviser

Staff members present:
  Dr. Hamid Shirvani, Chancellor
  Mr. Pat Seaworth, General Counsel
  Ms. Erika Lorenz, Secretary
  Dr. Kirsten Diederich, Vice-President
  Dr. Terry Hjelmstad
  Ms. Kari Reichert
  Ms. Janice Hoffarth, Staff Senate Adviser

It was moved by Shaft, seconded by Hull, for the State Board of Higher Education, staff, SBHE secretary, and general counsel to meet in Executive Session with Attorney General Wayne Stenehjem pursuant to NDCC 44-04-19.1 and NDCC 44-04-19.2 regarding negotiations between the Attorney General and the National Collegiate Athletic Association regarding the Ralph Engelstad Arena. Diederich, Hjelmstad, Hull, Neset, Reichert, Shaft, and Espegard voted aye. Morton was absent. The motion carried.

The Board entered Executive Session at 8:57 a.m.
The Board reconvened to open session at 9:09 a.m.

**It was moved** by Shaft, seconded by Hjelmstad, to approve the recommendation of the Attorney General regarding the acceptance of the addendum to the Settlement Agreement and Mutual Release dated October 26, 2007, between State of North Dakota, by and through the North Dakota State Board of Higher Education, University of North Dakota, and the National Collegiate Athletic Association, and direct the Attorney General to execute the addendum to that Settlement Agreement and Mutual Release. Hull, Nese, Reichert, Shaft, Diederich, Hjelmstad, and Espeland voted aye. Morton was absent. The motion carried.

Mr. Espeland thanked Attorney General Stenehjem and the Board for their work with the NCAA on the Fighting Sioux nickname/logo issue. Attorney General Stenehjem then signed the agreement.

The meeting recessed at 9:15 a.m.

The Board reconvened at 1:10 p.m. in the Multipurpose Room, Bismarck Public School Career Academy, 122 College Drive, Bismarck, North Dakota.

Members present:
- Mr. Duaine Espeland, President
- Mr. Grant Shaft
- Ms. Kathleen Nese
- Mr. Don Morton
- Dr. Douglas Munski, Faculty Adviser

Dr. Kirsten Diederich, Vice-President
Dr. Terry Hjelmstad
Ms. Kari Reichert
Mr. Sydney Hull, Student Member
Ms. Janice Hoffarth, Staff Senate Adviser

Staff members present:
- Dr. Hamid Shirvani, Chancellor
- Dr. John Haller, Interim Vice Chancellor of Academic Affairs
- Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
- Mr. Randall Thursby, Chief Information Officer
- Mr. Pat Seaworth, General Counsel
- Mr. Bill Eggert, Director of Internal Audit and Risk Assessment
- Ms. Aimee Copas, Academic Affairs Associate
- Ms. Lisa Johnson, Director of Articulation and Transfer
- Ms. Linda Donlin, Director of Communications and Media Relations
- Ms. Erika Lorenz, Secretary

**Board President’s Remarks**
Mr. Espeland said there are many critical items for the Board to review including important policies and the Pathways to Student Success Plan. With the upcoming legislative session, he indicated that the Board is interested in moving these items forward so there is sufficient time to inform and engage legislators and the public in Higher Education’s vision for the future. The Pathways to Student Success Plan is intended to be the foundation for that vision.

**North Dakota Student Association (NDSA) Report**
Mr. William Woodworth, NDSA President, updated the Board regarding NDSA’s newest elected officers: Jody Ferris, DSU, Legislative Lobbyist; Liana Hansen, VCSU, Webmaster; and Caitlyn Dredgekull, NDSU, Public Relations Coordinator. NDSA passed a resolution encouraging the Board to
study the merger of tuition and non-mandatory fees and a proposal to increase state academic and CTE scholarship to $2,500 per year and $10,000 total per undergraduate student.

While NDSA supports no tuition increase in the 2013-15 biennium, Woodworth said the NDSA supported a 2.5 percent maximum tuition increase at four-year campuses and a tuition freeze at two-year campuses as long as state appropriations made up the difference in funding.

Mr. Woodworth thanked Chancellor Shirvani and Dr. Shirley for attending the NDSA meeting. He then requested a motion on behalf of the NDSA to postpone the final approval of Pathways to Student Success Plan to allow time for more study. He said the MiSU student government passed a resolution recommending the plan be delayed to allow for a third-party contract to be obtained for additional research on the impact of the plan.

**Council of College Faculties (CCF) Report**

Dr. Douglas Munski recognized the CCF members present at the meeting. He said Chancellor Shirvani met with CCF and discussed the Pathways to Student Success Plan. Dr. Munski said CCF is generally pleased and supportive. He also the NDUS Arts and Humanities Summit will be held at VCSU on October 11 and 12. The public is invited to attend.

**Staff Senate Report**

Ms. Hoffarth said Staff Senate will have an Executive Committee conference call before each Board meeting to discuss the upcoming agenda. Kristi Swartz, UND, has been elected as the incoming Staff Senate President. She said all the Staff Senate concerns regarding the Pathways to Student Success Plan have been addressed by the Chancellor and the NDUS Office.

**Approve July 17, 2012, and July 19, 2012, meeting minutes**

*It was moved* by Shaft, seconded by Morton, to approve the July 17, 2012, and July 19, 2012, meeting minutes. Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, and Espegard voted aye. The motion carried unanimously.

**Approve Chancellor’s 2012-13 goals**

Mr. Espegard said he is supportive of the Chancellor’s goals, and he appreciates the vision the Chancellor has developed for the university system.

*It was moved* by Hjelmstad, seconded by Hull, to approve the Chancellor’s 2012-13 goals. Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, Diederich, and Espegard voted aye. The motion carried.

**Appoint Centers of Excellence members**

*It was moved* by Hull, seconded by Shaft, to appoint Mr. Hjelmstad to the Center of Excellence Commission for the term of September 26, 2012 to June 30, 2015, and to appoint Mr. Morton to the Center of Excellence Commission for the term of September 26, 2012 to June 30, 2014. Hull, Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, and Espegard voted aye. The motion carried.

**Ratify SBHE committee memberships**

Mr. Espegard appointed Ms. Reichert to the Academic and Audit Committees.

*It was moved* by Shaft, seconded by Diederich, to appoint Don Morton to the Executive Committee. Neset, Shaft, Reichert, Diederich, Hjelmstad, Hull, Morton, and Espegard voted aye. The motion carried.
Board Policy Manual Revisions

It was moved by Diederich, seconded by Shaft, to approve the introduction and adoption of the following policies including amendments by the Executive Committee to Policy 305.1 College and University Presidents’ Authority and Responsibilities. These amendments to Policy 305.1 are: to Section 7(a), add as a new sentence at end of section 7(a): “‘Retreat rights’ means the president has a right to revert to a tenured faculty position in the department in which the president has received tenure”; and add as new first and second sentences to Section 8: “In consultation with the Board, the Chancellor may initiate dismissal of a president for just cause during the contract term and shall provide a written notice of intent to do so and an opportunity for a hearing conducted by the Chancellor. The Chancellor shall provide not less than five days for a response by the president following delivery of notice of intent, prior to a dismissal decision.” These policies are effective immediately.

- 100.6 Authority and Responsibility of the SBHE
- 304.1 Chancellor/Commissioner of Higher Education Authority and Responsibilities
- 305.1 College and University Presidents’ Authority and Responsibilities
- 608.2 NDUS Employees – Non-renewal and Dismissals
- 705.1 Executive Compensation
- 802.8 Internal Audit Functions
- 403.5 Secondary-Postsecondary Articulation Agreements; Dual Credit
  Postsecondary Enrollment Options
- 404.1 Delivery Format Approval for Credit Activities
- 430.3 Posthumous Degrees

Shaft, Reichert, Diederich, Hjemstad, Hull, Morton, Neset, and Espegard voted aye. The motion carried unanimously.

Consent Agendas

It was moved by Shaft, seconded by Neset, to approve the Chancellor’s recommendations for the 2011-13 deficiency appropriation recommendations for MiSU, VCSU and ND State Forest Service:

- MiSU – Emergency flood-fighting costs not covered by FEMA $201,369
- MiSU – Building/Infrastructure restoration costs not covered by FEMA $1,646,613
- VCSU – Permanent hillside stabilization $505,800
- ND Forest Service – Wildland fire emergencies $250,000

Reichert, Diederich, Hjemstad, Hull, Morton, Neset, Shaft, and Espegard voted aye. The motion carried.

It was moved by Shaft, seconded by Diederich, to approve the NDSU requests from the Financial and Facility Consent Agenda.

- Authorization to proceed with a coffee shop addition to Residence Dining Center at an estimated cost of $350,000 funded from Dining Services local facilities operating funds.
- Authorization to proceed with fundraising $950,000 through the North Dakota 4-H Foundation for renovation of the Western North Dakota 4-H Camp at Washburn, ND and construction of a multi-purpose building at the camp.
- Authorization to include $35,404,356, an increase of $6,304,356 over the currently authorized amount of $29,100,000, for the Sanford Health Athletic Complex (formerly Bison Sports Arena), funded from private funds. Furthermore, authorize NDSU to proceed with a fundraising campaign of $35,404,356 for the project.

Reichert, Diederich, Hjemstad, Hull, Morton, Neset, Shaft, and Espegard voted aye. The motion carried.
It was moved by Diederich, seconded by Shaft, to approve the following Academic Consent Agenda items:

- **DSU requests:**
  - New programs with a Minor in Geographic Information Systems (GIS) and a Minor in Soil Science
  - Institutional Organizational Termination: China Center at Sichuan International Studies University
  - Program Terminations:
    - B.A. in Business Administration
    - P.C. in Entrepreneurship (16 hours)

- **NDSU requests:**
  - Institutional Organizational Change
    - From: Department of Music
    - To: School of Music
  - New program with a P.C. in Construction Management
  - Degrees offered:
    - From: M.S. in Construction Management
    - To: Master of Construction Management
  -Degrees Offered: Master of Construction Management

- **UND requests:**
  - Institutional Organizational Change
    - From: Department of Information Systems & Business Education
    - To: Department of Information Systems & Business Communication
  - Program terminations:
    - B.S.Ed. in Business Education
    - B.S. Ed. in Industrial Technology
    - Minor in Office Administration

- **WSC request for program terminations of A.A.S. and P.C. in Information Processing**

Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, Diederich, and Espegard voted aye. The motion carried.

**Personnel Agenda**

It was moved by Diederich, seconded by Shaft, to approve the NDSU request to grant an honorary doctorate to Mr. Gregg Halverson. Hull, Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, and Espegard voted aye. The motion carried.

**Pathways to Student Success proposal**

Mr. Espegard said the Board charged the Chancellor with the task of moving the university system to the level of distinction that North Dakota deserves. There have been numerous presentations, conversations, consultations, and dialogue with large numbers of legislators, community leaders, faculty, students and staff. As a result, there have been numerous revisions, including a title change from the Three-Tier Access Plan to the Pathways to Student Success Plan.

Chancellor Shirvani said the Pathways to Student Success Plan focuses on student success and raising standards as a foundation to move the system forward. The five initiatives in the plan are access, quality, affordability, learning, and accountability. He said the plan follows the Carnegie Classifications for institutions, which is based on institutional mission. As a result of input received, the name of the plan has been changed from the Three-Tier Access Plan to the Pathways to Student Success Plan to more
closely reflect the ultimate goal of the plan. Admission to four-year institutions will be based on a mathematical index system. Class rank will be excluded from the admission index and North Dakota residents will be awarded 10 bonus points in the admissions index. The implementation of the new admissions index is intended to have no negative impact for current high school students. The first graduating high school class to be impacted by the plan will be the graduating class of 2015.

Thirty-eight states currently provide feedback to high schools regarding first-year college students. The NDUS will begin providing this feedback in Fall 2013 and will work closely with K-12 to ensure that students and parents are informed of the new admission index and how it can be used to provide greater transparency for students’ transitioning from high school to college.

Financial aid will be requested to support needs-based aid, adult learners, and refinements will be made to merit-based aid. Community colleges will have the responsibility for the delivery of all developmental course work. Two-year and four-year campuses will share the responsibility for dual-credit courses subject to enhanced criteria according to an agreement regarding the Common Core State Standards partnership between K-12 and the NDUS.

Standard and uniform tuition rate criteria will be followed by all institutions with regard to in-state, out-of-state, contiguous states (including Canadian provinces), and international students. A per-credit hour tuition rate structure will be phased in according to low, medium, and high cost programs where appropriate and non-mandatory program and course fees will be included with tuition. The new tuition/fees model will be implemented in 2014. Undergraduate tuition waiver reductions will not exceed 5 percent of total undergraduate tuition revenue of the previous academic year for all institutions. At two-year and four-year campuses, waivers are for Native American students, U.S. Veterans, and athletes. Tuition waivers at research universities will include Native American students, U.S. Veterans, and special cases as determined by the Presidents. Student athletes in Division I athletics will be outside the 5 percent waiver cap. They will be admitted based on NCAA rules and regulations. Employee tuition waivers will also be outside the 5 percent cap at all campuses.

In response to questions from Mr. Hull, Chancellor Shirvani said campuses will be given the opportunity for input. Student input will be heard through the campuses. Changes will not be retroactive but certain components of the plan (i.e. per-credit tuition structure) will affect some students currently enrolled. The expedited approval process is a demonstration to the legislature to show the system is on the way to building a quality system. The bonus points for North Dakota residents will make only a marginal difference in admissions. An appeals process for admissions will be in place and presidents have the discretion to resolve special cases up to 5 percent of the previous academic year.

Mr. Hull said the MiSU student government passed a resolution urging a third-party examination of the plan. He said student reaction to the plan is primarily positive, but there is concern about the rapid timeline.

It was moved by Mr. Hull to table the Pathways to Student Success Plan until the November Board meeting, to allow for further study. The motion died for lack of a second.

Chancellor Shirvani said he has received a resolution from MiSU Faculty Senate requesting a third-party study and recommendation of the Pathways to Student Success Plan. The Chancellor questioned whether the plan had been clearly communicated to the MiSU academic community inasmuch as the plan is
conceptual and a work in progress. He said only five campuses will be affected by the tuition waivers. His intention is to have the plan fully implemented over three years.

Ms. Neset said she has also received concerns from the community but believes the plan is a work in progress.

The Chancellor noted that some North Dakota students leave the state to attend institutions in other states with higher standards. Mr. Espegard said the plan is the foundation to build a better system and is a living document.

It was moved by Diederich, seconded by Morton, to approve the NDUS Pathways to Student Success Plan, including implementation timelines, as the NDUS Strategic Plan; delegate to the Chancellor the details of implementation of the plan; and further, authorize him to make all changes necessary to align SBHE policies and NDUS procedures consistent with the plan. Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, Hull, and Espegard voted aye. The motion carried unanimously.

Public Comment
Robert Vallie, NDSU student, asked for clarification on public comment regarding policy changes prior to SBHE approval. Chancellor Shirvani said comments were taken during the Executive Committee meeting. The Chancellor said there has been outreach to numerous groups including students, legislators, MiSU Board of Regents, the Department of Commerce, the 20/20, CCF, and Staff Senate regarding the Pathways to Student Success Plan.

Dr. Fuller, MiSU and DCB President, said the verbatim process and program from the Chancellor’s office were disseminated to students, faculty, and staff. There was concern expressed by these groups because of MiSU’s special circumstances including the flood and its proximity to the Canadian border. The community, faculty, staff, and Board of Regents all support a third-party study to assess the impact the plan will have on MiSU and the system.

Roger Herman, MiSU student, said the current the plan was made public on September 21 allowing only five days for comments. He said it is unclear to him what changes the revised version contains what impact the changes will have.

Dr. Don Poohigian, UND law professor, said the last three statements by the Board, regarding the purpose of higher education, focus on economic development. He questioned if that meant the intent was to effectively eliminate liberal education in North Dakota. Chancellor Shirvani assured him that NDUS institutions have the responsibility to help workforce/economic development and to increase the quality and standards for admission. However, the fundamental premise of a college education is to ensure that a liberal arts education is provided.

Mr. William Woodworth, NDSA President, said NDSA would be willing to assist in communicating the plan and its impacts to students. Chancellor Shirvani said he would be happy to make presentations to students on each campus.

The meeting adjourned at 2:45 p.m.
November 15, 2012
Date

Executive Secretary

President
10a
Meeting Notice and Agenda

The State Board of Higher Education Academic Committee will meet on Thursday, November 15, 2012, at 9:00 a.m. CT, in the Colonial Room, Lake Region State College, 1801 College Drive, Devils Lake, North Dakota

1. Approve the September 26, 2012, meeting minutes
   
2. DCB request:
   a. Program Termination: A.A.S. in Horticulture – Greenhouse Technology

3. DSU requests:
   a. Institutional Organizational Termination: Confucius Institute
   b. Program Terminations:
      ▪ Entrepreneurship Leadership
      ▪ Forensic Accounting
      ▪ Manufacturing Technology

4. MiSU request:
   a. New Program: Minor in Art History

5. UND requests:
   a. Institutional Organizational Change:
      ▪ From: College of Nursing
      ▪ To: College of Nursing and Professional Disciplines

6. UND request to grant honorary doctorates

7. Report on high school core acceptance for admissions index – Ms. Aimee Copas

Adjourn

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
State Board of Higher Education
Academic Committee

The State Board of Higher Education Academic Committee met on Thursday, November 15, 2012, at 9:03 a.m. CT, in the Colonial Room, Lake Region State College, 1801 College Drive, Devils Lake, North Dakota.

Committee members present:
Dr. Kirsten Diederich, Chair
Ms. Janice Hoffarth, by phone
Mr. Sydney Hull
Dr. Douglas Munski
Ms. Kari Reichert
Mr. Grant Shaft

Staff present:
Chancellor H.A. Shirvani
Ms. Aimee Copas, Academic Affairs Associate
Ms. Erika Lorenz, Secretary

It was moved by Munski, seconded by Hull, to recommend approval of the following Academic Requests:

- DCB
  - Program Termination: A.A.S. in Horticulture – Greenhouse Technology
- DSU
  - Institutional Organizational Termination: Confucius Institute
  - Program Terminations:
    - Entrepreneurship Leadership
    - Forensic Accounting
    - Manufacturing Technology

Hull, Munski, Reichert, Hoffarth, and Diederich voted aye. Shaft was absent. The motion carried.

It was moved by Hull, seconded by Munski, to recommend approval of the MiSU request for a New Program with a Minor in Art History. Munski, Reichert, Hoffarth, Hull, and Diederich voted aye. Shaft was absent. The motion carried.

It was moved by Hull, seconded by Munski, to recommend approval of the UND request for an Institutional Organizational Change:
- From: College of Nursing
- To: College of Nursing and Professional Disciplines

Reichert, Hoffarth, Hull, and Diederich voted aye. Munski voted no. Shaft was absent. The motion carried.

The committee expressed concern about the effectiveness of the term “Professional Disciplines” in conveying the various disciplines now included within the College of Nursing. Chancellor
Shirvani recommended approval of the name change while also suggesting that “College of Nursing and Allied Disciplines” be presented to UND for future consideration.

**It was moved** by Reichert, seconded by Hull, to approve the UND request to grant honorary doctorates to Dr. Hiram Drache and North Dakota Senator David Nething. Hoffarth, Hull, Munski, Reichert, and Diederich voted aye. Shaft was absent. The motion carried.

The committee requested that Chancellor Shirvani draft revisions to Policy 430.1 Honorary Degrees to include timelines for submission and criteria for award and that the policy revision receive a first and second reading before Board approval.

**It was moved** by Munski, seconded by Reichert, to recommend the Board require the Chancellor to review Policy 430.1 Honorary Degrees and develop clear timelines and criteria allowing ample time for board review. Hoffarth, Hull, Munski, Reichert, and Diederich voted aye. Shaft was absent. The motion carried.

**Report on high school core acceptance for admissions index**
Ms. Copas presented an overview of the high school core acceptance criteria. The North Dakota University System (NDUS), Career and Technical Education, and the Department of Public Instruction have agreed on a recommendation to cap the number of core courses that may be applied to the new admissions index formula at 15. Currently the number of core courses a student takes to obtain a North Dakota High School diploma is 13. The cap of 15 core courses encourages the students to take a more rigorous senior year as well as take courses outside of the core such as foreign language, fine and performing arts, career and technical education courses, and career exploratory courses. Acceptable classes will be communicated to NDUS institutions and North Dakota high schools. Ms. Copas said the addition of two accepted core courses to the index formula does not affect the effect of the admissions index on projected student admissions.

Chairman Diederich proposed that the Academic Committee have the ability to review and address the quality of courses provided at NDUS institutions. Chancellor Shirvani agreed that this would be a proper committee directive. He mentioned two current obstacles to allowing the committee to review instructional quality—inconsistent data reporting among campuses and the lack of institutional research staff in the system office to analyze and present data for the committee’s review.

**It was moved** by Shaft, seconded by Munski, to approve the September 26, 2012, meeting minutes. Hoffarth, Hull, Munski, Reichert, Shaft, and Diederich voted aye. The motion carried.

The meeting adjourned at 10:14 a.m.
Meeting Notice and Agenda

The State Board of Higher Education Executive Committee will meet Thursday, November 15, 2012, at 10:30 a.m. CT, in the Colonial Room, Lake Region State College, 1801 College Drive, Devils Lake, North Dakota.

1. Approve September 26, 2012, meeting minutes
3. BSC request:
   a. To develop state land with the likelihood that BSC would enter into a lease agreement with the BSC Foundation or other private entity for construction of student housing on campus. Furthermore, authorize BSC to seek necessary legislative authorization during 2013 Legislative Session.
4. LRSC request:
   a. Authorization to solicit private funds to support the Technical Center Expansion & Renovation initiative. LRSC will be launching a public campaign in November. The campaign will undoubtedly create some opportunities for raising funds for renovation and construction as well as program support. LRSC dreams and vision, together with donor interest and preference, will identify opportunities for funding. Therefore it is not possible to identify specific projects or a dollar amount for the purposes of approval to solicit funds. Per existing statue and SBHE policy, LRSC will obtain necessary SBHE and/or Legislative approval to proceed with projects for which funds are received at a later date.
5. MaSU request:
   a. To change the name of Northwest Hall at Mayville State University to the Edson and Margaret Larson Alumni and Leadership Center.
6. NDSU requests:
a. Approval of Chancellor’s interim action approving NDSU acceptance, to accept, as a gift, and proceed with installation of a new turf for a football practice field at a cost of approximately $378,000 from the NDSU Teammakers. Further, authorize exemption from SBHE policy 902.3 (11) subject to certain agreement provisions between NDSU and the Teammakers.

b. Approval of Chancellor’s interim action authorizing NDSU to proceed with the construction of a modular housing unit at the Williston Research Extension Center (WREC) – Nesson Valley site in the amount of $212,500 paid from a City of Williston Star Fund Grant ($130,000) and from WREC other funds ($82,500.)

7. UND request:
   a. To proceed with general renovation work and mechanical upgrades to the existing Upson I building at an estimated cost of $500,000.

8. Ratify Chancellor’s interim approval to increase the authorized amount of the Information Technology (IT) Staff Facility and Data Center from $15,500,000 to $16,848,523.


10. Overview of proposed legislation – Chancellor Shirvani

11. MiSU grandfathering provision related to changes in non-resident tuition rates – Chancellor Shirvani

Adjourn

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndsu.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
State Board of Higher Education  
Executive Committee

The State Board of Higher Education Executive Committee met Thursday, November 15, 2012, at 10:33 a.m. CT, in the Colonial Room, Lake Region State College, 1801 College Drive, Devils Lake, North Dakota.

Members present:
  Mr. Duaine Espegard, Chair  
  Dr. Kirsten Diederich  
  Mr. Grant Shaft  
  Mr. Don Morton, by phone  

Staff present: 
  Chancellor H.A. Shirvani  
  Mr. Randall Thursby, NDUS CIO  
  Ms. Linda Donlin, Director of Communications and Media Relations  
  Ms. Erika Lorenz, Secretary

It was moved by Diederich, seconded by Shaft, to approve September 26, 2012, meeting minutes. Shaft, Diederich, and Espegard voted aye. Morton was absent. The motion carried.

Proposed 2013-14 Room, Board and Fee Guidelines
Chancellor Shirvani explained that the 2013-14 Room, Board, and Fee Guidelines are consistent with those the Board has approved in the past. The campuses will return their suggested room and board rates to the NDUS office. The Board will be asked to approve room and board rates and fees in January.

Financial and Facility Requests
It was moved by Shaft, seconded by Diederich, to recommend approval of the BSC request to develop state land with the likelihood that BSC would enter into a lease agreement with the BSC Foundation or another private entity for the construction of student housing on campus. Furthermore, the committee recommended that the Board authorize BSC to seek necessary legislative authorization during 2013 Legislative Session. Diederich, Morton, Shaft, and Espegard voted aye. The motion carried.

It was moved by Shaft, seconded by Diederich, to recommend approval of the LRSC request for authorization to solicit private funds to support the Technical Center Expansion & Renovation initiative. LRSC will be launching a public campaign in November. Per existing statute and SBHE policy, LRSC will obtain necessary SBHE and/or Legislative approval to proceed with projects for which funds are received at a later date. Shaft, Diederich, Morton, and Espegard voted aye. The motion carried.

It was moved by Diederich, seconded by Shaft, to recommend approval of the MaSU request to change the name of Northwest Hall at Mayville State University to the Edson and Margaret Larson Alumni and Leadership Center. Morton, Shaft, Diederich, and Espegard voted aye. The motion carried.
It was moved by Shaft, seconded by Diederich, to recommend approval of the NDSU request for approval of the Chancellor’s interim action approving NDSU acceptance, to accept, as a gift, and proceed with installation of a new turf for a football practice field at a cost of approximately $378,000 from the NDSU Teammakers. The committee further recommended that the Board authorize exemption from SBHE policy 902.3 (11) subject to certain agreement provisions between NDSU and the Teammakers. Diederich, Morton, Shaft, and Espegard voted aye. The motion carried.

It was moved by Shaft, seconded by Diederich, to recommend approval of the NDSU request for approval of the Chancellor’s interim action authorizing NDSU to proceed with the construction of a modular housing unit at the Williston Research Extension Center (WRFC) – Nessin Valley site in the amount of $212,500, paid from a City of Williston Star Fund Grant ($130,000) and from WREC other funds ($82,500). Shaft, Diederich, Morton, and Espegard voted aye. The motion carried.

It was moved by Shaft, seconded by Diederich, to recommend approval of the UND request to proceed with general renovation work and mechanical upgrades to the existing Upson I building at an estimated cost of $500,000. Morton, Shaft, Diederich, and Espegard voted aye. The motion carried.

It was moved by Shaft, seconded by Diederich, to recommend approval of the request to ratify the Chancellor’s interim approval to increase the authorized amount of the Information Technology (IT) Staff Facility and Data Center from $15,500,000 to $16,828,523. Diederich, Morton, Shaft, and Espegard voted aye. The motion carried.

Overview of 2013-15 Biennial Budget
Chancellor Shirvani stated that the Governor’s budget proposal is based on courses completed by Classification of Instructional Program (CIP) code. Chancellor Shirvani noted that policies will need to be created to standardize CIP codes across the system. Under the Governor’s proposal, there would be $25 million in new funding for all but three campuses (WSC, MiSU, and UND), Chancellor Shirvani said, and if all system initiatives are funded, this would result in an additional $12 million in funding above the budget the Board has requested. He suggested the Board receive and distribute funds to campuses.

Overview of proposed legislation
Chancellor Shirvani presented an overview of 2011 Senate Bill 2351 regarding limiting increases of mandatory student fees to one percent of total student tuition, which is currently in effect but set to expire June 30, 2013. The proposed legislation would make the mandatory fee limit permanent.

MiSU grandfathering provision related to changes in non-resident tuition rates
Chancellor Shirvani explained that MiSU has struggled with declining enrollment in the wake of flooding. He recommended the addition of a four-year grandfathering clause to the Pathways to Student Success program for currently enrolled MiSU students and students enrolling at MiSU in
2013. Mr. Espegard noted that MiSU has also been allocated its own tier in the admissions index based on its unique status as a master's level institution within the system.

It was moved by Diederich, seconded by Shaft, to recommend approval of a four-year grandfathering period through 2016-2017 for currently enrolled and admitted students enrolling through Fall 2013 at MiSU, with the cutoff being the last day to enroll for the Fall 2013 semester, and to permit MiSU to charge the in-state resident tuition rate to all students, regardless of residency status. All students admitted in Spring 2014 and thereafter will be charged tuition rates according to the new rate schedule beginning in Fall 2014. Morton, Shaft, Diederich, and Espegard voted aye. The motion carried.

The committee discussed proposed tuition rates.

Mr. Hull supported the recommended changes for the MiSU students. Mr. Espegard expressed disappointment in the poor communication at MiSU regarding the process of developing the implementation of Pathways to Student Success Plan.

The meeting adjourned at 11:28 a.m.
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Meeting Notice and Agenda

November 15, 2012
Revised November 14, 2012

The State Board of Higher Education will meet Wednesday, November 15, 2012, at 1:00 p.m. CT, in the Chautauqua Room, Lake Region State College, 1801 College Drive, Devils Lake, North Dakota.

The exact time each agenda item will be discussed cannot be assured.

Wednesday, November 14, 2012
5:30 p.m. Social Reception
Dining Room, Lake Region State College, 1801 College Drive, Devils Lake

7:00 Dinner for SBHE members and Chancellor
The Ranch Steakhouse, 1119 Highway 20 South, Devils Lake

Thursday, November 15, 2012
12:00 - 1:00 p.m. Lunch

1:00 – 1:45 p.m. CALL TO ORDER

1. Board President’s Remarks
2. North Dakota Student Association Report – Mr. William Woodworth
4. Staff Senate Report – Ms. Janice Hoffarth
5. Public Comment

BOARD BUSINESS

1:45 – 1:50 6. Approve September 5, 2012, and September 26, 2012, meeting minutes
1:50 – 1:55 7. Appoint SBHE Executive Secretary – Mr. Espegard
Consent Agendas

Financial and Facility Consent Agenda
8. Approve BSC development of state land for construction of student housing on the campus.
9. Approve LRSC request to solicit private funds to support the Technical Center Expansion & Renovation initiative.
10. Approve MaSU name change of Northwest Hall to the Edson and Margaret Larson Alumni and Leadership Center.
11. Ratify Chancellor’s interim authorization approving NDSU acceptance of a gift from NDSU Teammakers of new turf for a football practice field.
12. Ratify Chancellor’s interim action authorizing NDSU to proceed with the construction of a modular housing unit at the Williston Research Extension Center.
13. Approve UND request to proceed with general renovation work and mechanical upgrades to the existing Upson I building.
14. Ratify Chancellor’s interim approval to increase the authorized amount of the Information Technology (IT) Staff Facility and Data Center from $15,500,000 to $16,848,523.
15. Approve proposed 2013-14 Room, Board and Fee Guidelines

Academic Consent Agenda
16. DCB request:
   o Program Termination: A.A.S. in Horticulture – Greenhouse Technology
17. DSU requests:
   o Institutional Organizational Termination: Confucius Institute
   o Program Terminations:
     - Entrepreneurship Leadership
     - Forensic Accounting
     - Manufacturing Technology
18. MiSU request:
   o New Program: Minor in Art History
19. UND requests:
Institutional Organizational Change:
- From: College of Nursing
- To: College of Nursing and Professional Disciplines

Personnel Agenda
20. UND request to grant honorary doctorates
21. Overview of proposed legislation – Chancellor Shirvani
22. Pathways to Student Success Implementation Report – Chancellor Shirvani
- Approve MiSU grandfathering provision related to changes in non-resident tuition rates

2:40 – 2:45 Announcements

Review of Board meeting

Adjourn

Future Board Meetings
- January 17 – BSC
- March 7 – BSC
- May 9 – UND

Contact Erika Lorenz (701) 328-4108 or erika.lorenz-perry@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
North Dakota State Board of Higher Education
Minutes - November 15, 2012

Wednesday, November 14, 2012
Members present:
  Mr. Duaine Espegard, President
  Dr. Kirsten Diederich, Vice-President
  Dr. Terry Hjelmstad
Staff members present:
  Dr. Hamid Shirvani, Chancellor

A dinner was held for Board members at The Ranch Steakhouse, 1119 Highway 20 South, Devils Lake, North Dakota. The Board did not achieve a quorum, as only three of ten members were present. As a result, the Board did not conduct any business.

Thursday, November 15, 2012
The State Board of Higher Education met Wednesday, November 15, 2012, at 12:58 p.m. CT, in the Chautauqua Room, Lake Region State College, 1801 College Drive, Devils Lake, North Dakota.

Members present:
  Mr. Duaine Espegard, President
  Mr. Grant Shaft,
  Ms. Kathleen Neset
  Mr. Sydney Hull, Student Member
  Ms. Janice Hoffarth, Staff Senate Adviser, by phone
  Dr. Douglas Munski, Faculty Adviser
Staff members present:
  Dr. Hamid Shirvani, Chancellor
  Ms. Aimee Copas, Academic Affairs Associate
  Mr. Noah Brisbin, Special Assistant to the Chancellor
  Ms. Linda Donlin, Director of Communications and Media Relations
  Ms. Erika Lorenz, Secretary

Board President’s Remarks
President Espegard welcomed everyone to the meeting and thanked Dr. Darling and his staff for their hospitality.

President Espegard announced that the North Dakota University System (NDUS) has released its Fiscal Year 2011 economic impact report, which was prepared by NDSU’s Department of Agribusiness and Applied Economics. It shows that the university system had a $4.4 billion impact on the state in 2011.

North Dakota Student Association (NDSA) Report
Mr. William Woodworth, NDSA President, described the NDSA’s discussions regarding the governor’s proposed funding model and proposed a resolution in its support.
Mr. Woodworth reported NDSA supports the mental health initiative and will be lobbying for it in the upcoming legislative session. NDSA also recommends that the Notifind emergency notification system transition from an “opt-in” registration system to a mandatory one.

Mr. Woodworth conveyed NDSA’s gratitude to the Board for introducing legislation to make the one percent cap on student fee increases permanent.

Mr. Woodworth presented NDSA student advocate awards to Dr. Kelley and Dr. Coston.

Chancellor’s Remarks
Chancellor Shirvani expressed his appreciation for the support he received after the passing of his mother.

Chancellor Shirvani stated that NDUS budget details are being finalized with the Governor’s office and the Office of Management and Budget. The Governor’s budget will be released on December 5. Budget presentations to the legislature will be held January 14-16.

Council of College Faculties (CCF) Report
Dr. Munski reported that CCF discussed concerns regarding dual-credit courses. CCF requests that the NDUS examine dual-credit courses and the success of students in the top five courses.

Dr. Munski stated that CCF also has registered concerns regarding possible unintended consequences of moving to a per-credit tuition model. The traditional opinion of faculty is that per-credit systems do not encourage students to take elective courses outside their major areas of study, and that per-credit systems are more appropriate to “credentialing” institutions than to the liberal arts missions of some institutions.

Dr. Munski expressed that CCF also believes that separate course fees are appropriate in some disciplines. The elimination of these can negatively affect campuses that are dependent on those fees, and discontinuing the fees may prevent students from taking courses outside their majors or online.

Dr. Munski conveyed CCF’s appreciation to Chancellor Shirvani for visiting with the council to present the Pathways to Student Success Plan. CCF requests that it be informed of the details of various aspects of the Pathways to Students Success plan before it is implemented.

Dr. Munski thanked VCSU for hosting the NDUS Arts and Humanities Summit.

Approve September 5, 2012, and September 26, 2012, meeting minutes
It was moved by Hull, seconded by Hjelmstad, to approve the September 5, 2012, and September 26, 2012, meeting minutes. Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, and Espegard voted aye. The motion carried.

Appoint SBHE Executive Secretary
It was moved by Diederich, seconded by Shaft, to appoint Ms. Kari Reichert as SBHE Executive Secretary. Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, Diederich, and Espegard voted aye. The motion carried.

Consent Agendas
It was moved by Hjelmstad, seconded by Hull, to approve the following Financial and Facility Consent Agenda items:

- BSC development of state land for construction of student housing on the campus
- LRSC request to solicit private funds to support the Technical Center Expansion & Renovation initiative
- MaSU name change of Northwest Hall to the Edson and Margaret Larson Alumni and Leadership Center

Hull, Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, and Espegard voted aye. The motion carried.

It was moved by Shaft, seconded by Hull, to ratify the Chancellor’s interim authorization approving NDSU acceptance of a gift from NDSU Teammakers of new turf for a football practice field and to ratify the Chancellor’s interim action authorizing NDSU to proceed with the construction of a modular housing unit at the Williston Research Extension Center. Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, Hull, and Espegard voted aye. The motion carried.

It was moved by Shaft, seconded by Diederich, to approve the UND request to proceed with general renovation work and mechanical upgrades to the existing Upson I building and to approve the proposed 2013-14 Room, Board and Fee Guidelines. Neset, Shaft, Reichert, Diederich, Diederich, Hjelmstad, Hull, and Espegard voted aye. The motion carried.

It was moved by Shaft, seconded by Hull, to ratify the Chancellor’s interim approval to increase the authorized amount of the Information Technology (IT) Staff Facility and Data Center from $15,500,000 to $16,848,523. Shaft, Reichert, Diederich, Hjelmstad, Hull, Morton, Neset, and Espegard voted aye. The motion carried.

It was moved by Diederich, seconded by Shaft, to approve the following Academic Consent Agenda items:

- DCB request:
  - Program Termination: A.A.S. in Horticulture – Greenhouse Technology
- DSU requests:
  - Institutional Organizational Termination: Confucius Institute
  - Program Terminations:
    - Entrepreneurship Leadership
    - Forensic Accounting
    - Manufacturing Technology
- MiSU request:
  - New Program: Minor in Art History
- UND requests:
  - Institutional Organizational Change:
    - From: College of Nursing
    - To: College of Nursing and Professional Disciplines

Reichert, Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, and Espegard voted aye. The motion carried.

It was moved by Diederich, seconded by Shaft, to approve the UND request to grant honorary doctorates to Dr. Hiram Drache and North Dakota Senator David Nething. Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, and Espegard voted aye. The motion carried.
Dr. Diederich explained that the Academic Committee has directed Chancellor Shirvani to draft revisions to Policy 430.1 Honorary Degrees to create concrete timelines and standardized criteria for awarding honorary degrees. The committee recommended the policy revisions receive a first and second reading before Board approval. Chancellor Shirvani requested any honorary degree requests currently in process be forwarded to him. The process of awarding honorary degrees will otherwise be suspended until the Board has approved revisions to Policy 430.1 Honorary Degrees.

Overview of proposed legislation
Chancellor Shirvani presented the Board with Senate Bill 2351 from the 2011 legislative session regarding limiting increases of mandatory fees to one percent of total student tuition through June 30, 2013. Chancellor Shirvani proposed new legislation to give the statutory mandatory fee limit permanent effect. The fees affected are mandatory fees, not course or program fees.

It was moved by Shaft, seconded by Hull, to authorize introduction of legislation to limit mandatory fee increases consistent with the 2011 Senate Bill 2351. Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, Hull, and Espegard voted aye. The motion carried.

Pathways to Student Success Implementation Report
Chancellor Shirvani presented an update on the implementation of the Pathways to Student Success Plan. He said agreement has been reached with the Department of Public Instruction regarding the admissions index formula and the number of high school core courses that will be accepted for admissions. Scores for automatic admissions will be as follows: Research Universities: 210, Regional Masters’ Universities: 190, Regional Institutions: 180.

Approve MiSU grandfathering provision related to changes in non-resident tuition rates
Chancellor Shirvani explained that MiSU has struggled with declining enrollment in the wake of flooding. He recommended the addition of a four-year grandfathering clause to the Pathways to Student Success program for currently enrolled MiSU students and students enrolling at MiSU in Fall 2013. There will be no further grandfathering after the enrollment period end date for Fall 2013. MiSU currently offers contiguous state students and international students the same tuition rate as in-state students; and the grandfathering clause would allow MiSU to continue to do so in order to aid enrollment. MiSU would also be allowed to maintain their current tuition rate structure through 2016-2017 for currently enrolled and admitted students through Fall 2013.

Chancellor Shirvani stated that he has greatly enjoyed visiting various high schools to talk about the Pathways to Student Success Plan with students. He said a standard tuition rate will be determined by February 1, 2013, for a Fall 2013 announcement. Tuition model changes will be announced in Fall 2013 for implementation in Fall 2014.

Chancellor Shirvani stated that, under the Pathways to Student Success Plan, tuition rates for contiguous states students will be 1.25 times the in-state tuition rate, MHEC and WICHE students will pay 1.5 times the in-state tuition rate, and Minnesota reciprocity agreements will remain in place. Tuition rates for other out-of-state students and international students at research universities will be 1.75 times the in-state tuition rate.

It was moved by Diederich, seconded by Shaft, to approve a four-year grandfathering period through 2016-2017 for currently enrolled and admitted students enrolling through Fall 2013 at MiSU, with the cutoff being the last day to enroll for the Fall 2013 semester, and to permit MiSU to charge the in-state
resident tuition rate to all students, regardless of residency status. All other students admitted in Spring 2014, and thereafter, will be charged tuition rates according to the new rate schedule beginning in Fall 2014. Morton, Nese, Shaft, Recht, Diederich, Hjelmstad, Hull, and Espiegard voted aye. The motion carried unanimously.

Dr. Hjelmstad updated the Board on the LRSC Presidential selection committee meeting and timeline.

The meeting adjourned at 2:15 p.m.

__________________________________________  ________________
Executive Secretary                          President

Date
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Meeting Notice and Agenda

January 7, 2013

The State Board of Higher Education will meet Monday, January 7, 2013, at 5:00 p.m. for a dinner social at the Burgum Presidential Suite in the Gorecki Alumni Center at the University of North Dakota, 3501 University Avenue, Grand Forks, ND.

Monday, January 7, 2013

5:00 p.m. Social reception and dinner at the UND Gorecki Alumni Center Burgum Presidential Suite to discuss issues related to higher education in North Dakota

Future Board Meetings

- January 17 – BSC
- March 7 – BSC
- May 9 - UND

Contact Noah Brisbin (701) 328-4150 or noah.brisbin@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
Monday, January 7, 2013

Members present:
- Mr. Duaine Espegard, President
- Dr. Terry Hjemstad
- Mr. Don Morton

Dr. Kirsten Diederich, Vice-President
Ms. Kathleen Neset
Ms. Janice Hoffarth, Staff Senate Adviser

Staff members present:
- Dr. Hamid Shirvani, Chancellor
- Ms. Claire Holloway, General Counsel
- Ms. Linda Donlin, Director of Communications
- Ms. Rebecca Duben, Executive Assistant
- Mr. Noah Brisbin, Special Assistant

The Board met for a dinner social in the Gorecki Alumni Center Burgum Presidential Suite at the University of North Dakota, 3501 University Avenue, Grand Forks, ND, beginning at 5:00 p.m. CT.

To begin the evening, there was casual conversation among Board members, NDUS staff members, and NDSA representatives in attendance. Several people in attendance expressed their disappointment that illness and business travel kept other Board members from joining the dinner.

As dinner was served, Chancellor Shirvani took the opportunity to formally introduce to the Board two new members of the NDUS office senior staff.

Noah Brisbin is the special assistant to Chancellor Shirvani, and joined the office in November. Chancellor Shirvani described Mr. Brisbin’s background to the Board, and the Board members extended their welcome to him.

Chancellor Shirvani next introduced Claire Holloway, the newly appointed NDUS general counsel. The chancellor described Ms. Holloway’s legal experience and expressed his enthusiasm at her arrival to the NDUS office and confidence in her ability to excel in her role. The Board also welcomed her warmly.
Casual conversation continued throughout dinner. Board and staff members interacted, coming to a better understanding of each other’s backgrounds and perspectives, and considering how those varied experiences could help the Board and the NDUS office improve higher education in North Dakota.

After finishing dinner, Chancellor Shirvani previewed for the Board the presentation he would give to the Senate Appropriations Committee. Various aspects of the presentation included a history of the North Dakota University System, an overview of the Pathways to Student Success plan, an analysis of the governor’s recommended budget, a request for additional NDUS office staff, measurements of the NDUS institutions’ successes, and a list of goals for the next several years.

While reviewing the retention rates, graduation rates, and research expenditures of NDUS schools, Mr. Morton observed that statistical methodology for graduation rates does not account for transferring students. He further noted, however, that the NDUS schools and comparator schools follow the same methodology; thus, according to Mr. Morton, the statistics provided an apples-to-apples comparison. He also suggested that improved admissions standards would lead to enrolling classes better prepared to succeed in their institutions, leading to better retention rates.

Chancellor Shirvani discussed the academic quality indicators that are the top priority for the Board, particularly the Academic Committee. These indicators are retention of first-year students, four- and six-year graduation rates, student learning as measured by a national assessment model, research expenditures at UND and NDSU, and public-private partnerships. In response to these goals, Dr. Hjelmstad responded that he was encouraged to see a clear directive emanating from the NDUS office for the first time. Dr. Hjelmstad stated that these targets would give institution presidents clear direction, and that they would bring the campuses together as a true system of higher education.

Dr. Diederich added that academic quality is at the heart of the Board’s mission to the state. The goals described by Chancellor Shirvani, she said, have been the kind of impetus missing from higher education administration in North Dakota for years. Dr. Diederich and others expressed the sentiment that Chancellor Shirvani’s goals were modest in comparison to their ideas for North Dakota colleges and universities of wide renown, and suggested that Chancellor Shirvani and the NDUS office staff consider setting more ambitious growth targets.

The social concluded at 8:45 p.m. In parting, Chancellor Shirvani gave his thanks to the Board for their service and to his staff for their efforts.
Meeting Notice and Agenda
Revised January 15, 2013

The State Board of Higher Education Academic Committee will meet on Thursday, January 17, 2013, at 10:00 a.m. CT, in Room 433, National Energy Center of Excellence, Bismarck State College, Bismarck, ND.

1. Approve the November 15, 2012, meeting minutes
2. Board Policy Manual Revision
   • 402.9 Admission Policies – New International Students
3. Academic Requests
   • BSC Program Terminations:
     ▪ D.P. in Graphic Design and Communication
     ▪ D.P. in Information Processing Specialist
     ▪ D.P. in Lineworker, Electrical
   • NDSU
     ▪ Institutional Organizational Change: Center of Professional Selling and Sales Technology
   • UND
     o Institutional Organizational Change
       ▪ From: Graduate School
       ▪ To: School of Graduate Studies
     o Program Termination: P.C. in Graduate Certificate in Mathematics for Middle School Teachers
   • WSC
     o Program Terminations:
       ▪ P.C. in Administrative Assistant Health Information Management
       ▪ P.C. in Administrative Assistant Information Processing Technology
       ▪ P.C. in Agronomy Technician
       ▪ A.A.S., P.C. in Entrepreneurship
4. System vision and goals

Adjourn

Contact Noah Brishin (701) 328-4150 or noah.brishin@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
State Board of Higher Education
Academic Committee

The State Board of Higher Education Academic Committee met on Thursday, January 17, 2013, at 10:00 a.m. CT, in Room 433, National Energy Center of Excellence, Bismarck State College, Bismarck, ND.

Committee members present:
   Dr. Kirsten Diederich, Chair
   Ms. Janice Hoffarth
   Mr. Sydney Hull
   Dr. Douglas Munski
   Ms. Kari Reichert
   Mr. Grant Shaft

Staff present:
   Dr. Hamid Shirvani, Chancellor
   Dr. John Haller, Interim Vice Chancellor for Academic Affairs
   Ms. Aimee Copas, Academic Affairs Associate
   Mr. Noah Brisbin, Special Assistant

It was moved by Hull, seconded by Munski, to approve the November 15, 2012, meeting minutes. Hoffarth, Hull, Munski, Reichert, Shaft, and Diederich voted aye. The motion carried unanimously.

System vision and goals

Chairwoman Diederich stated that she believed the Academic Committee’s next task should be to improve the academic excellence of NDUS institutions. Chancellor Shirvani stated that based on the Board’s discussion from the January 7 dinner, he and the NDUS office developed a rhetoric-free, pragmatic five-point vision for all the colleges and universities in the system. The vision Chancellor Shirvani explained would lead NDUS to become a premier system of higher education, offering measurable quality education promoting student success and the economic and social development of North Dakota while being mindful of cost.

Chancellor Shirvani explained that the NDUS’s goals for 2020 stemmed from an op-ed column by Mr. Espegard. The goals include higher quality education as measured by learning assessments; improved graduation and retention rates; better resources to serve student needs, and access and quality of service for those needs; and better oversight, transparency, oversight, and accountability.

The chancellor added that quantifiable goals, such as increasing graduation and retention rates by fifteen percent at research universities, are clearly articulated and reasonable. Other goals include 10 percent increases in graduation and retention rates at four-year universities, and 10-place improvements for research universities in NSF research expenditure rankings. New resources would include advisors and better services in scheduling, degree audit, and student services.
Nationally tested models of student learning would assess the efficacy of NDUS schools and the achievement of their students.

Mr. Shaft asked how a student learning assessment would be administered. Chancellor Shirvani replied that they are subjective tests given to freshmen and seniors. Students’ graduation requirements do not hinge on their assessment performance, but they are given as part of their college experience. Chairwoman Diederich added that Concordia College has used the Collegiate Learning Assessment and shared results with faculty and administration, who have found the information very helpful.

Other objectives for NDUS schools, Chancellor Shirvani added, would include the formation of corporate partnerships. Mr. Morton lamented the intellectual property issues that set back this kind of cooperation for three years.

While setting these goals, Chancellor Shirvani noted that there are no prescriptions for campuses; instead; they have $27 million additional funding to implement toward achieving the goals.

Finally, Chancellor Shirvani cited the struggle to build a full staff in the NDUS office. Work is needed, for example, on Board policies, in human resources, and to create an institutional research template.

Ms. Reichert suggested that, if possible, the NDUS administration develop clear metrics for goals other than rates and rankings to further clarify the NDUS’s vision for the system.

**Board Policy Manual Revision**

402.9 Admission Policies – New International Students

Chairwoman Diederich reviewed revised Policy 402.9 for the Committee, citing that it considers international applicants’ academic records by requiring credential evaluation by approved organizations, language proficiency, and documentation. It also prohibits the use of commission-based recruiting, which Dr. Munski praised.

**It was moved** by Munski, seconded by Hull, to recommend approval of revised Policy 402.9. Hull, Munski, Reichert, Shaft, Hoffarth, and Diederich voted aye. The motion carried unanimously.

**Academic Requests**

- BSC Program Terminations:
  - D.P. in Graphic Design and Communication
  - D.P. in Information Processing Specialist
  - D.P. in Lineworker, Electrical

Dr. Haller clarified that diploma programs are rarely chosen by students, given the alternatives of certificate and associate’s degree programs.
It was moved by Hull, seconded by Munski, to recommend approval of the BSC program terminations for D.P.s in Graphic Design and Communication, Information Processing Specialist, and Lineworker—Electrical. Munski, Reichert, Shaft, Hoffarth, Hull, and Diederich voted aye. The motion carried unanimously.

- NDSU
  - Institutional Organizational Change: Center for Professional Selling and Sales Technology

Chairwoman Diederich described the rationale for this center’s creation as a method to develop student competency in sales, assist student placement, address student needs, and create opportunities for students to gain experience. She also praised the center’s mission, reading it to the Committee.

Dr. Haller added that documentation for the center was updated to show that the center would not be funded by student fees. Dr. Haller cited the center as a creative and impressive concept, duplicated by only three high-research universities nationwide.

Mr. Morton asked about the center’s technological capabilities, citing its relevance to curricula akin to those of this center and impressive student placement rates for students who study technological aspects of business. Dr. Haller replied that this center was an addition to management and information systems program, presenting an additional special focus for students. Ms. Copas reiterated that the center would bolster business programs.

Mr. Hull stated that the program struck him as well-considered, as it required no student fees and had the oversight of an advisory board in its development.

It was moved by Munski, seconded by Hull, to recommend approval of the NDSU institutional organizational change creating a Center for Professional Selling and Sales Technology. Reichert, Shaft, Hoffarth, Hull, Munski, and Diederich voted aye. The motion carried unanimously.

- UND
  - Institutional Organizational Change
    - From: Graduate School
    - To: School of Graduate Studies

It was moved by Munski, seconded by Hull, to recommend approval of the UND institutional organizational change renaming UND's Graduate School as the School of Graduate Studies. Shaft, Hoffarth, Hull, Munski, Reichert, and Diederich voted aye. The motion carried unanimously.

- Program Termination: P.C. in Graduate Certificate in Mathematics for Middle School Teachers
It was moved by Munski, seconded by Reichert, to recommend approval of the UND program termination for the P.C. Graduate Certificate in Mathematics for Middle School Teachers. Hoffarth, Hull, Munski, Reichert, Shaft, and Diederich voted aye. The motion carried unanimously.

- WSC
  - Program Terminations:
    - P.C. in Administrative Assistant Health Information Management
    - P.C. in Administrative Assistant Information Processing Technology
    - P.C. in Agronomy Technician
    - A.A.S., P.C. in Entrepreneurship

Chancellor Shirvani noted that courses were not affected by WSC’s proposed program terminations, as student demand had proven insufficient to offer courses toward many programs like these. Dr. Haller applauded the effort of the NDUS colleges and universities to trim their offerings to conform to the realities of their situations.

It was moved by Munski, seconded by Hull, to recommend approval of the WSC program terminations for the P.C.s in Administrative Assistant Health Information Management, Administrative Assistant Information Processing Technology, and Agronomy Technician, and the A.A.S. and P.C. in Entrepreneurship. Hull, Munski, Reichert, Shaft, Hoffarth, and Diederich voted aye. The motion carried unanimously.

The meeting adjourned at 10:57 a.m.
Meeting Notice and Agenda
Revised January 16, 2013

The State Board of Higher Education Executive Committee will meet on Thursday, January 17, 2013, at 11:00 a.m. CT, in Room 433, National Energy Center of Excellence, Bismarck State College, Bismarck, ND.

1. Approve November 15, 2012, meeting minutes
2. SBHE position on 2013-15 budget recommendation, including amendments
3. Ratify Chancellor’s interim action approving introduction of statutory amendments
4. Review and consider SBHE position on 2013 legislation
5. Board Policy Manual Revisions
   310.2 Board Officers; Elections
   1902 Emergency Notification Systems
6. Financial and Facility Requests
   • Approve MaSU request for approval of resolution authorizing the issuance of
     Not to exceed $2,100,000 State Board of Higher Education of the State of North Dakota, Mayville State University, Facilities Revenue Refunding Bonds, Series 2013.
   • Approve MiSU request to proceed with flood restoration projects of up to $2 million
     due to the June 2011 flood of the Souris River, funded from FEMA recovery and
     MiSU institutional funds, pending the outcome of the 2011-13 deficiency
     appropriation request. Furthermore, increase spending authority for the Beaver
     Lodge Housing (student housing unit) from $2,900,000 to $3,100,000 and University
     Apartments (8-plex faculty and staff housing) from $700,000 to $1,000,000 to be
     financed through a low-interest loan and repaid with auxiliary revenues.
   • Approve NDSU request to proceed with the replacement of the Burgum Hall fan coil
     units at an estimated cost of $400,000 to be funded from Residence Life local funds.
• Approve NDSU request to proceed with the replacement of the roof on Ceres Hall at an estimated cost of $800,000 to be funded from 2011-2013 extraordinary repair funds.

• Approve NDSU request to proceed with the replacement of low rise lavatories renovation project, Phase I at an estimated cost of $1,000,000 to be funded from Residence Life Repair and Replacement funds.

• Approve NDSU request to proceed with the Memorial Union – Food Court Renovations Project at an estimated cost of $975,000 to be funded from Dining Services local facilities operating funds.

• Approve UND request to enter into a ground lease between UND and UND Aerospace Foundation to enable construction of a new aerospace building; approve site of new building (Center for Aerospace Research and Innovation) to be constructed and owned by UND Aerospace Foundation; and, authorize exception to SBHE policy 902.3, section (11) permitting construction and project accounting to be managed by the Aerospace Foundation.

• Approve UND request to seek legislative authorization to purchase the Research Enterprise and Commercialization building (REAC1) on the UND campus per NDCC 54-27-12, and to enter into a financing arrangement for that purpose; further authorize the Chancellor to approve the purchase terms and financing arrangement.

• Approve UND request for increased spending and revenue bond legislative authorization from $14 to $29 million for construction of an addition and renovation to Wilkerson Hall Dining Center, to be paid from revenue bond proceeds.

• Approve UND request for project spending from $950,000 to $1,500,000 for installation of fire protection systems in Walsh Hall, a residence hall facility, to be paid from residence hall funds.

• Approve UND request to proceed with demolition of the original Winter Sports building, a.k.a. Old REA, as part of the construction of a new athletics practice facility.

• Approve UND request to proceed with replacement of Campus Road bridge at an estimated cost of $1,600,000, with the UND cost share to be paid from 2011-13 appropriated capital assets funding and local institutional funds. UND also requests
authorization according to SBHE Policy 902.3 for NDDOT to manage the project as per FHA requirements.

- Approve WSC request to authorize an amendment of the property description as set out in the WSC Foundation Ground Lease dated April 12, 2012, which lease is to enable construction by the Foundation of apartment units on that tract of land located on the WSC campus to provide housing for WSC employees and employees of other state and local government entities and local hospital and clinic employees.

- Ratify Chancellor’s interim approval authorizing WSC to proceed with the installation of a backup generator to power part of Stevens Hall, at a cost of up to $525,000, funded from the 2011 Special Legislative Session one-time state general fund appropriation.

- Approve NDSU request for ratification of the Chancellor’s interim approval to request an amendment to the 2013-2015 appropriations bill to include the upgrade of a portion of Research 2 (R2) for the Center for Computationally Assisted Science and Technology in the amount of $660,000 to be funded by federal grant funds; further, following legislative approval, authorization to proceed with the project.

Adjourn

Contact Noah Brisbin (701) 328-4150 or noah.brisbin@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
State Board of Higher Education  
Executive Committee

The State Board of Higher Education Executive Committee met Thursday, January 17, 2013, at 11:00 a.m. CT, in Room 433, National Energy Center of Excellence, Bismarck State College, Bismarck, North Dakota.

Members present:
Mr. Duaine Espegard, Chair  
Dr. Kirsten Diederich  
Mr. Grant Shaft  
Mr. Don Morton

Staff members present:
Dr. Hamid Shirvani, Chancellor  
Ms. Laura Glatt, Vice Chancellor for Administrative Affairs  
Dr. John Haller, Interim Vice Chancellor for Academic and Student Affairs  
Mr. Randall Thursby, Chief Information Officer  
Ms. Kirsten Franzen, Chief Compliance Officer  
Ms. Claire Holloway, General Counsel  
Mr. Noah Brisbin, Special Assistant

It was moved by Shaft, seconded by Diederich, to approve the November 15, 2012, meeting minutes. Shaft, Diederich, Morton, and Espegard voted aye. The motion carried unanimously.

SBHE position on 2013-15 budget recommendation, including amendments  
Chancellor Shirvani explained that the governor’s proposed budget includes $89 million in operations increases and $177 million in one-time capital funding. He noted that the $89 million increase in “discretionary” spending includes allocations earmarked for campus security and mental health initiatives.

Chairman Espegard stated that the presentation Chancellor Shirvani gave to the Senate Appropriations Committee included a good synopsis of the new budget. He added that he appreciates the included salary and benefits contribution increases, $7 million directed to increased student scholarships, and funds to increase the number of security officers on NDUS campuses. The net discretionary fund increase, Chairman Espegard stated, is $27 million, with several campuses not receiving any new discretionary funds and other campuses’ funding remaining nearly flat. He also expressed his appreciation for the record $177 million in one-time capital funding and $30 million of philanthropic money to bolster campus giving.

Mr. Shaft mentioned that it would be helpful for Board members to have a pocket reference of budget information like that contained in the presentation given to the legislature.

Chancellor Shirvani listed examples of how money allocated to security and mental health reduced the discretionary money actually available for campus use. Notably, Williston State College stands to have a $650,000 deficit in operating expenses after allocating $920,000 to
security and mental health, having received only $270,000 in discretionary/equalization appropriations.

The chancellor further explained that the University of North Dakota and its School of Medicine and Health Sciences received zero discretionary funding, and that North Dakota State University received only $5.8 million of the same. As Chancellor Shirvani is urging the research universities to increase their academic excellence by recruiting well-renowned faculty, this level of new spending will not allow UND or NDSU to accomplish much.

Chairman Espegard noted that the budget proposes $27 million in new discretionary funding, including security and mental health initiatives, and that this level of funding leads to some campus issues. Chancellor Shirvani suggested that the University System undertake further study before writing a blueprint for a budget amendment.

Board Policy Manual Revisions

310.2 Board Officers: Elections

Ms. Franzen explained to the Committee that the revision to Policy 310.2 brings the policy into compliance with North Dakota constitutional and statutory provisions.

It was moved by Diederich, seconded by Shaft, to recommend approval of revised Policy 310.2. Morton, Shaft, Diederich, and Espegard voted aye. The motion carried unanimously.

1902 Emergency Notification Systems

Chancellor Shirvani explained that Policy 1902 has been revised, pending Board approval, to require student participation in campus emergency notification systems, replacing the previous opt-in policy. Chairman Espegard asked if mandating such participation was permissible, to which Ms. Holloway replied that it is.

It was moved by Diederich, seconded by Morton, to recommend approval of revised Policy 1902. Diederich, Morton, Shaft, and Espegard voted aye. The motion carried unanimously.

Financial and Facility Requests

It was moved by Diederich, seconded by Morton, to recommend approval of the MaSU request for a resolution authorizing the issuance of Not to exceed $2,100,000 State Board of Higher Education of the State of North Dakota, Mayville State University, Facilities Revenue Refunding Bonds, Series 2013. Shaft, Diederich, Morton, and Espegard voted aye. The motion carried unanimously.

It was moved by Morton, seconded by Diederich, to recommend approval of the MiSU request to proceed with flood restoration projects of up to $2 million due to the June 2011 flood of the Souris River, funded from FEMA recovery and MiSU institutional funds, pending the outcome of the 2011-13 deficiency appropriation request. Furthermore, increase spending authority for the Beaver Lodge Housing (student housing unit) from $2,900,000 to $3,100,000 and University Apartments (8-plex faculty and staff housing) from $700,000 to $1,000,000 to be financed through a low-interest loan and repaid with auxiliary revenues. Morton, Shaft, Diederich, and Espegard voted aye. The motion carried unanimously.
It was moved by Morton, seconded by Diederich, to recommend approval of the NDSU request to proceed with the replacement of the Burgum Hall fan coil units at an estimated cost of $400,000 to be funded from Residence Life local funds, and of the NDSU request to proceed with the replacement of the roof on Ceres Hall at an estimated cost of $800,000 to be funded from 2011-2013 extraordinary repair funds. Diederich, Morton, Shaft, and Espegard voted aye. The motion carried unanimously.

It was moved by Morton, seconded by Diederich, to recommend approval of the NDSU request to proceed with the replacement of a low rise lavatories renovation project. Phase I at an estimated cost of $1,000,000 to be funded from Residence Life Repair and Replacement funds, and of the NDSU request to proceed with the Memorial Union—Food Court Renovations Project at an estimated cost of $975,000 to be funded from Dining Services local facilities operating funds. Shaft, Diederich, Morton, and Espegard voted aye. The motion carried unanimously.

The Committee turned its attention to UND’s request to enter into a ground lease between UND and UND Aerospace Foundation to enable construction of a new aerospace building; approve site of new building (Center for Aerospace Research and Innovation) to be constructed and owned by UND Aerospace Foundation; and, authorize exception to SBHE policy 902.3, section (11) permitting construction and project accounting to be managed by the Aerospace Foundation.

Chancellor Shirvani asked if the Committee wanted more information before making a decision on this request; Chairman Espegard asked that President Kelley update the Committee. President Kelley informed the Committee that $8 million of the $25 million cost of the building had already been raised, and that additional money could be borrowed. He added that additional donors are awaiting a policy amendment allowing the Foundation to own the building before contributing to the project. The Committee agreed to pull this item from the agenda for future consideration.

It was moved by Diederich, seconded by Shaft, to recommend approval of the UND request to seek legislative authorization to purchase the Research Enterprise and Commercialization building (REAC1) on the UND campus per NDCC 54-27-12, and to enter into a financing arrangement for that purpose; further authorize the Chancellor to approve the purchase terms and financing arrangement.

President Kelley explained to the Committee that UND already subsidizes the debt-ridden foundation-owned building, and that it would be economical to allow UND to purchase the building for its own use.

Chairman Espegard reiterated the importance of allowing any price and financing arrangement to be subject to Chancellor Shirvani’s discretion. He raised the point that the Board questions foundations whose finances are private because when foundations face financial difficulties, problems come to the Board in this fashion.
Chancellor Shirvani suggested to the Committee that this is a justifiable request, especially given that it allows President Kelley the opportunity to negotiate a reasonable price and requires consultation before its ultimate approval.

In response to Chairman Espedard’s inquiry as to how the purchase would be financed, President Kelly replied that a renegotiation of the purchase price and use of debt service funds would sufficiently finance the building’s purchase. Chancellor Shirvani added that because UND already pays for the building’s expenses, it is sensible to direct that payment into debt service in order to own the building.

Dr. Diederich asked about the building’s condition; President Kelley informed the committee that it opened in 2009, contains an engineering facility, and has applications for biomedical studies.

Diederich, Morton, Shaft, and Espegard voted aye. The motion carried unanimously.

**It was moved** by Morton, seconded by Shaft, to recommend approval of the UND request for increased spending and revenue bond legislative authorization from $14 to $29 million for construction of an addition and renovation to Wilkerson Hall Dining Center, to be paid from revenue bond proceeds. Shaft, Diederich, Morton, and Espegard voted aye. The motion carried unanimously.

**It was moved** by Morton, seconded by Shaft, to recommend approval of the following items:
- UND request for project spending from $950,000 to $1,500,000 for installation of fire protection systems in Walsh Hall, a residence hall facility, to be paid from residence hall funds.
- UND request to proceed with demolition of the original Winter Sports building, a.k.a. Old REA, as part of the construction of a new athletics practice facility.
- UND request to proceed with replacement of Campus Road bridge at an estimated cost of $1,600,000, with the UND cost share to be paid from 2011-13 appropriated capital assets funding and local institutional funds. UND also requests authorization according to SBHE Policy 902.3 for NDDOT to manage the project as per FHA requirements.
- WSC request to authorize an amendment of the property description as set out in the WSC Foundation Ground Lease dated April 12, 2012, which lease is to enable construction by the Foundation of apartment units on that tract of land located on the WSC campus to provide housing for WSC employees and employees of other state and local government entities and local hospital and clinic employees.
- Chancellor’s interim approval authorizing WSC to proceed with the installation of a backup generator to power part of Stevens Hall, at a cost of up to $525,000, funded from the 2011 Special Legislative Session one-time state general fund appropriation.
- NDSU request for ratification of the Chancellor’s interim approval to request an amendment to the 2013-2015 appropriations bill to include the upgrade of a portion of Research 2 (R2) for the Center for Computationally Assisted Science and Technology in the amount of $660,000 to be funded by federal grant funds; further, following legislative approval, authorization to proceed with the project.
Morton, Shaft, Diederich, and Espegard voted aye. The motion carried unanimously.

Review and consider SBHE position on 2013 legislation

Chancellor Shirvani reviewed legislation pertinent to the NDUS with the Committee. Ms. Glatt explained that HB1023 was an appropriation to MiSU for restoration costs not covered by FEMA. Chairman Espegard questioned the purpose of HB1200, which would limit the SBHE’s ability to authorize capital improvements during the three months after a legislative session.

For HB1204, which creates a $30 million matching fund for charitable giving to NDUS schools, Chairman Espegard noted that the bill contains details for qualifying for the matching funds. Thus, in his opinion, the review committee provided for in the bill seemed redundant. Dr. Diederich asked if it was common for a donation to be called a grant, as this bill does; Chancellor Shirvani replied that it is not.

Chancellor Shirvani noted, beginning with HB1289, that there are many small programs with strings attached that necessitate administrative expenses. Dr. Haller noted the same with regard to HB1303.

Mr. Shaft opined that HB1281, which as written would prohibit NDUS from assessing campuses, overlooked collaborative programs. Mr. Shaft asked Mr. Thursby for specific examples of such programs; Mr. Thursby responded that the bill would affect ConnectND, ODIN, and IVN, among other programs.

HCR3008 proposes a constitutional amendment to remove the names and locations of NDUS campuses from the North Dakota Constitution; Chancellor Shirvani asserted that the NDUS would not close any of its colleges.

Chancellor Shirvani raised the point that HCR3009, which would authorize a legislative study on the use of open textbooks, could raise academic freedom issues. Dr. Munski elaborated on the impact of rising textbook costs on college students. Mr. Shaft reasoned that open textbooks could work well on an optional basis, but that it would be unwise to mandate their use.

SB2094, proposed by the Board, would limit total mandatory fee increases to one percent of average undergraduate tuition rates, with limited exceptions.

Chancellor Shirvani, in outlining SB2186, mentioned that 3 of the 26 NDUS office employees work with scholarship administration. SB2186 was one of several bills to create new scholarship programs that would be administered by the NDUS office.

SB2222 proposes to increase the CTE scholarship amount. Chairman Espegard asked if funding to support this increase was included in the governor’s budget proposal. Chancellor Shirvani responded that while the governor did propose $7 million in increased scholarship funding, it was allocated to other programs.
Ratify Chancellor’s interim action approving introduction of statutory amendments

Chancellor Shirvani stressed the importance of having a consistent procedure for working with bills in the legislative process, which Mr. Shaft reinforced. Ms. Glatt stated that the chancellor could act on legislation between Board meetings in consultation with the Board president, to be supplemented by Board action. Mr. Morton expressed that he was comfortable with that working process.

It was moved by Shaft, seconded by Morton, to recommend ratification of the chancellor’s interim action approving introduction of statutory amendments. Diederich, Morton, Shaft, and Espegard voted aye. The motion carried unanimously.

The meeting adjourned at 12:28 p.m.
12c
Meeting Notice and Agenda

January 17, 2013
Revised January 16, 2013

The State Board of Higher Education will meet Thursday, January 17, 2013, at 1:00 p.m. CT, in Bavendick Stateroom of the National Energy Center of Excellence, Bismarck State College, Bismarck, North Dakota.

The exact time each agenda item will be discussed cannot be assured.

Wednesday, January 16, 2013

6:30 p.m. Dinner Social at 524 Slate Drive, Bismarck, ND
The Board will meet for dinner at Chancellor Shirvani’s home to review higher education-related legislative testimony and to discuss other North Dakota higher education issues

Thursday, January 17, 2013

9:00 a.m. Breakfast
National Energy Center of Excellence Room 436 and 443

12:00 p.m. Lunch
National Energy Center of Excellence Room 436 and 443

1:00 – 1:45 p.m. CALL TO ORDER

1. Board President’s Remarks
2. Chancellor’s Report
3. North Dakota Student Association Report – Mr. William Woodworth
5. Staff Senate Report – Ms. Janice Hoffarth
6. Public Comment
BOARD BUSINESS

1:45 – 1:50  
7. Approve November 15, 2012, meeting minutes

1:50 – 2:00  
8. SBHE position on 2013-15 budget recommendation, including amendments

2:00 – 2:05  
9. Ratify Chancellor’s interim action approving introduction of statutory amendments

2:05 – 2:15  
10. Review and consider SBHE position on 2013 legislation

2:15 – 2:20
11. Board Policy Manual Revisions

First reading and final adoption

310.2 Board Officers; Elections

402.9 Admission Policies – New International Students

1902 Emergency Notification Systems

2:20 – 2:35
Consent Agendas

Financial and Facility Consent Agenda

12. Approve MaSU request for approval of resolution authorizing the issuance of Not to exceed $2,100,000 State Board of Higher Education of the State of North Dakota, Mayville State University, Facilities Revenue Refunding Bonds, Series 2013.

13. Approve MiSU request to proceed with flood restoration projects of up to $2 million due to the June 2011 flood of the Souris River, funded from FEMA recovery and MiSU institutional funds, pending the outcome of the 2011-13 deficiency appropriation request. Furthermore, increase spending authority for the Beaver Lodge Housing (student housing unit) from $2,900,000 to $3,100,000 and University Apartments (8-plex faculty and staff housing) from $700,000 to $1,000,000 to be financed through a low-interest loan and repaid with auxiliary revenues.

14. Approve NDSU request to proceed with the replacement of the Burgum Hall fan coil units at an estimated cost of $400,000 to be funded from Residence Life local funds.
15. Approve NDSU request to proceed with the replacement of the roof on Ceres Hall at an estimated cost of $800,000 to be funded from 2011-2013 extraordinary repair funds.

16. Approve NDSU request to proceed with the replacement of a low rise lavatories renovation project, Phase I at an estimated cost of $1,000,000 to be funded from Residence Life Repair and Replacement funds.

17. Approve NDSU request to proceed with the Memorial Union – Food Court Renovations Project at an estimated cost of $975,000 to be funded from Dining Services local facilities operating funds.

18. Approve UND request to enter into a ground lease between UND and UND Aerospace Foundation to enable construction of a new aerospace building; approve site of new building (Center for Aerospace Research and Innovation) to be constructed and owned by UND Aerospace Foundation; and, authorize exception to SBHE policy 902.3, section (11) permitting construction and project accounting to be managed by the Aerospace Foundation.

19. Approve UND request to seek legislative authorization to purchase the Research Enterprise and Commercialization building (REAC1) on the UND campus per NDCC 54-27-12, and to enter into a financing arrangement for that purpose; further authorize the Chancellor to approve the purchase terms and financing arrangement.

20. Approve UND request for increased spending and revenue bond legislative authorization from $14 to $29 million for construction of an addition and renovation to Wilkerson Hall Dining Center, to be paid from revenue bond proceeds.

21. Approve UND request for project spending from $950,000 to $1,500,000 for installation of fire protection systems in Walsh Hall, a residence hall facility, to be paid from residence hall funds.

22. Approve UND request to proceed with demolition of the original Winter Sports building, a.k.a. Old REA, as part of the construction of a new athletics practice facility.

23. Approve UND request to proceed with replacement of Campus Road bridge at an estimated cost of $1,600,000, with the UND cost share to be paid from
2011-13 appropriated capital assets funding and local institutional funds. UND also requests authorization according to SBHE Policy 902.3 for NDDOT to manage the project as per FHA requirements.

24. Approve WSC request to authorize an amendment of the property description as set out in the WSC Foundation Ground Lease dated April 12, 2012, which lease is to enable construction by the Foundation of apartment units on that tract of land located on the WSC campus to provide housing for WSC employees and employees of other state and local government entities and local hospital and clinic employees.

25. Ratify Chancellor’s interim approval authorizing WSC to proceed with the installation of a backup generator to power part of Sievens Hall, at a cost of up to $525,000, funded from the 2011 Special Legislative Session one-time state general fund appropriation.

26. Approve NDSU request for ratification of the Chancellor’s interim approval to request an amendment to the 2013-2015 appropriations bill to include the upgrade of a portion of Research 2 (R2) for the Center for Computationally Assisted Science and Technology in the amount of $660,000 to be funded by federal grant funds; further, following legislative approval, authorization to proceed with the project.

27. Academic Consent Agenda

- BSC
  - Program Terminations:
    - D.P. in Graphic Design and Communication
    - D.P. in Information Processing Specialist
    - D.P. in Lineworker, Electrical

- NDSU
  - Institutional Organizational Change
    - Center of Professional Selling and Sales Technology

- UND
  - Institutional Organizational Change
    - From: Graduate School
    - To: School of Graduate Studies
Program Termination: P.C. in Graduate Certificate in Mathematics for Middle School Teachers

- WSC
  - Program Terminations:
    - P.C. in Administrative Assistant Health Information Management
    - P.C. in Administrative Assistant Information Processing Technology
    - P.C. in Agronomy Technician
    - A.A.S., P.C. in Entrepreneurship
    - A.A.S. in Information Processing

2:35 – 2:45 Announcements

Review of Board meeting

Adjourn

Future Board Meetings
- March 7 – BSC
- May 9 – UND
- June 20 – DCB

Contact Noah Brisbin (701) 328-4150 or noah.brisbin@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
North Dakota State Board of Higher Education
Minutes – January 17, 2013

Wednesday, January 16, 2013

Members present:
Mr. Duaine Espegard, President
Mr. Grant Shaft
Mr. Don Morton
Ms. Kari Reichert
Ms. Janice Hoffarth, Staff Senate Adviser

Dr. Kirsten Diederich, Vice-President
Dr. Terry Hjelmstad
Ms. Kathleen Neset
Mr. Sydney Hull, Student Member

Staff members present:
Dr. Hamid Shirvani, Chancellor
Mr. Randall Thursby, Chief Information Officer
Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
Mr. Bill Eggert, Director of Internal Audit and Risk Assessment
Ms. Linda Donlin, Director of Communications and Media Relations
Ms. Kirsten Franzen, Chief Compliance Officer
Ms. Claire Holloway, General Counsel
Ms. Erika Lorenz, Secretary
Mr. Noah Brisbin, Special Assistant to the Chancellor

The Board met for dinner at Chancellor Shirvani’s residence, 524 Slate Drive, Bismarck, North Dakota, beginning at 6:30 p.m. CT.

The Board reviewed higher education issues arising in the legislative session, including past and forthcoming hearings and opportunities to present testimony. The Board also discussed other North Dakota higher education issues.

The dinner ended at 9:00 p.m. CT.

Thursday, January 17, 2013

The State Board of Higher Education met Thursday, January 17, 2013, at 1:00 p.m. CT, in the Bavendick Stateroom of the National Energy Center of Excellence, Bismarck State College, Bismarck, North Dakota.
Members present:
Mr. Duaine Espegard, President
Mr. Grant Shaft
Mr. Don Morton
Ms. Kari Reichter
Dr. Douglas Munski, Faculty Adviser
Dr. Kirsten Diederich, Vice-President
Dr. Terry Hjelmstad
Ms. Kathleen Neset
Mr. Sydney Hull, Student Member
Ms. Janice Hoffarth, Staff Senate Adviser

Staff members present:
Dr. Hamid Shirvani, Chancellor
Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
Mr. Randall Thursby, Chief Information Officer
Ms. Kirsten Franzen, Chief Compliance Officer
Ms. Claire Holloway, General Counsel
Ms. Linda Donlin, Director of Communications
Mr. Bill Eggert, Director of Internal Audit
Ms. Erika Lorenz, Secretary
Mr. Noah Brisbin, Special Assistant

Board President’s Remarks
President Espegard opened the meeting by welcoming all in attendance and thanking Dr. Skogen and his staff for their hospitality in hosting the Board meeting at Bismarck State University. President Espegard expressed the Board’s anticipation that the implementation of a new funding model and a strengthened investment in higher education would help the University System become a premier system of higher education.

Chancellor’s Report
Chancellor Shirvani reported to the Board that the System office has completed a review of all accumulated fee balances and instructed campuses to utilize the fee balances for their originally intended purposes before June 30, 2014, the date of transition to the new Pathways tuition model.

The chancellor also expressed his pleasure to have appeared with Dr. Coston and Msgr. Shea at the announcement of a unique public-private partnership between Dickinson State University and the University of Mary.

Next, Chancellor Shirvani explained his commitment to visiting North Dakota high schools to speak with students, encouraging them to attend college and earn a degree and communicating
the Pathways to Student Success plan. The chancellor thanked Dr. Hjemstad for his dedication to doing the same.

Chancellor Shirvani has also visited with North Dakota business leaders and government officials. They have positively received the chancellor’s vision to strengthen the system, preparing young North Dakotans for productive careers in North Dakota.

The chancellor also presented to the Staff Senate at their January meeting in Grand Forks, at Ms. Hoffarth’s invitation. Chancellor Shirvani reached nearly 400 people in person and by videoconference, addressing staff’s questions about the Pathways plan.

Chancellor Shirvani reported that he and the University System staff have used the Board’s goals to develop NDUS’s conceptual vision and a blueprint for developing the system, and have presented it to the Senate Appropriations Committee and the Senate Education Committee.

North Dakota Student Association Report
Mr. William Woodworth stated that the NDSA finalized its proposed legislation at its December meeting in Grand Forks. Mr. Woodworth notified the Board of the NDSA’s establishment of a student due process task force to evaluate campus disciplinary hearings. He also described the NDSA’s involvement in legislative testimony, including testifying in support of SB 2094, which would make permanent a cap of one percent on student fee increases in normal circumstances.

Mr. Woodworth urged the Board to consider carefully its position on the house concurrent resolution that would authorize a legislative study on requiring the use of open textbooks. Finally, Mr. Woodworth thanked Chancellor Shirvani and Vice Chancellor Haller for allowing a student to serve on the search committee for the next Vice Chancellor of Academic Affairs.

Council of College Faculties Report
Dr. Munski reported that at its last meeting, the CCF expressed a need for more library support throughout the University System. He also explained that the CCF will deliver to Chancellor Shirvani a resolution that would allow institutional support of CCF member travel.
Dr. Munski stated that CCF supports the Board’s position with respect to the proposed budget. Finally, Dr. Munski described the CCF’s sentiment that despite a strong desire to limit textbook costs, HCR 2009, the resolution for a legislative study into requiring the use of open textbooks, strikes at the core of academic freedom.

Staff Senate Report
Ms. Hoffarth stated that the Staff Senate would meet monthly through the spring semester, having hosted Chancellor Shirvani at its January meeting. She added that hundreds of viewers have accessed the archived version of the chancellor’s appearance at the staff senate meeting, and that she hopes to have the chancellor appear before the staff senate again to explain the Board’s vision. Finally, Ms. Hoffarth explained that she was re-elected to her position as state board member.

BOARD BUSINESS

Approve November 15, 2012, meeting minutes
*It was moved* by Hull, seconded by Morton, to approve the November 15, 2012, meeting minutes. Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, and Espegard voted aye. The motion carried unanimously.

Approve SBHE position on 2013-15 budget recommendation, including amendments
The Board next took up the proposed budget for the University System. Mr. Shaft expressed that he was supportive of the budget, allowing for some amendment requests, as the chancellor had explained in Senate hearings.

Mr. Shaft explained that it is important for Board members to understand the budget in depth, going beyond how it is portrayed by others. Chancellor Shirvani expounded on this by pointing out the distinction between newly allocated money that is considered “cost to continue” and “discretionary,” and further to tease out “discretionary” allocations that are committed to campus security and mental health initiatives from allocations that are purely discretionary. The
chancellor explained that by looking at the proposed budget this way, Williston State College stands to lose $600,000.

Chancellor Shirvani suggested further study of the proposed new funding model to ensure that no campus falls behind, adding that the University of North Dakota and its School of Medicine and Health Sciences receive no new discretionary money in the proposed budget. The chancellor also questioned whether the $5 million in new discretionary money allocated to North Dakota State University would prove sufficient, and mentioned that the potential budget implications Dickinson State University’s decline in student enrollment deserves study.

**It was moved** by Shaft, seconded by Hull, to support the governor’s proposed budget with the previously indicated amendments, and allowing for further study. Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, Diederich, and Espegard voted aye. The motion carried unanimously.

**Ratify Chancellor’s interim action approving introduction of statutory amendments**

**It was moved** by Hjelmstad, seconded by Hull, to ratify the chancellor’s interim action approving the introduction of statutory amendments to the legislature. Hull, Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, and Espegard voted aye. The motion carried unanimously.

**Review and consider SBHE position on 2013 legislation**

Chancellor Shirvani explained to the Board that he has a standing Thursday afternoon appointment with campus presidents to review legislation to formulate positions. After these meetings, the chancellor explained, he would make an official recommendation to the Executive Committee.

**Board Policy Manual Revisions**

310.2 Board Officers; Elections

402.9 Admission Policies – New International Students

1902 Emergency Notification Systems

Chancellor Shirvani stated that the revised Policy 310.2 brings Board policy into compliance with North Dakota constitutional and statutory requirements. Dr. Diederich explained that the
revised Policy 402.9 distinguishes between new international students and transfer international students, and implements new requirements and standards for prospective international students. For revised Policy 1902, Dr. Diederich explained that the revision mandates student participation in campus emergency notification systems by limiting registration to students who are enrolled in an appropriate notification system.

**It was moved** by Hull, seconded by Hjelmstad, to approve the Board Policy Manual revisions. Morton, Neset, Shaft, Reichert, Diederich, Hjelmstad, Hull, and Espegard voted aye. The motion carried unanimously.

**Consent Agendas**

UND’s request to enter into a ground lease between UND and UND Aerospace Foundation to enable construction of a new aerospace building was withdrawn for further study.

**It was moved** by Diederich, seconded by Shaft, to approve the following Financial and Facility Consent Agenda items:

- MaSU request for approval of resolution authorizing the issuance of Not to exceed $2,100,000 State Board of Higher Education of the State of North Dakota, Mayville State University, Facilities Revenue Refunding Bonds, Series 2013.

- MiSU request to proceed with flood restoration projects of up to $2 million due to the June 2011 flood of the Souris River, funded from FEMA recovery and MiSU institutional funds, pending the outcome of the 2011-13 deficiency appropriation request. Furthermore, increase spending authority for the Beaver Lodge Housing (student housing unit) from $2,900,000 to $3,100,000 and University Apartments (8-plex faculty and staff housing) from $700,000 to $1,000,000 to be financed through a low-interest loan and repaid with auxiliary revenues.

- NDSU request to proceed with the replacement of the Burgum Hall fan coil units at an estimated cost of $400,000 to be funded from Residence Life local funds.
• NDSU request to proceed with the replacement of the roof on Ceres Hall at an estimated cost of $800,000 to be funded from 2011-2013 extraordinary repair funds.

• NDSU request to proceed with the replacement of a low rise lavatories renovation project, Phase I at an estimated cost of $1,000,000 to be funded from Residence Life Repair and Replacement funds.

• NDSU request to proceed with the Memorial Union – Food Court Renovations Project at an estimated cost of $975,000 to be funded from Dining Services local facilities operating funds.

• UND request to seek legislative authorization to purchase the Research Enterprise and Commercialization building (REAC1) on the UND campus per NDCC 54-27-12, and to enter into a financing arrangement for that purpose; further authorize the Chancellor to approve the purchase terms and financing arrangement.

• UND request for increased spending and revenue bond legislative authorization from $14 to $29 million for construction of an addition and renovation to Wilkerson Hall Dining Center, to be paid from revenue bond proceeds.

• UND request for project spending from $950,000 to $1,500,000 for installation of fire protection systems in Walsh Hall, a residence hall facility, to be paid from residence hall funds.

• UND request to proceed with demolition of the original Winter Sports building, a.k.a. Old REA, as part of the construction of a new athletics practice facility.

• UND request to proceed with replacement of Campus Road bridge at an estimated cost of $1,600,000, with the UND cost share to be paid from 2011-13 appropriated capital assets funding and local institutional funds. UND also requests authorization according to SBHE Policy 902.3 for NDDOT to manage the project as per FHA requirements.

• WSC request to authorize an amendment of the property description as set out in the WSC Foundation Ground Lease dated April 12, 2012.
which lease is to enable construction by the Foundation of apartment units on that tract of land located on the WSC campus to provide housing for WSC employees and employees of other state and local government entities and local hospital and clinic employees.

- Chancellor’s interim approval authorizing WSC to proceed with the installation of a backup generator to power part of Stevens Hall, at a cost of up to $525,000, funded from the 2011 Special Legislative Session one-time state general fund appropriation.

Shaft, Reichert, Diederich, Hjelmstad, Hull, Morton, Neset, and Espegard voted aye. The motion carried unanimously.

Mr. Shaft observed that he saw no overlap between the functions of the University System’s information technology department, headquartered in a new Grand Forks facility, and the proposed upgrade to computing facilities in Fargo. This upgrade was addressed by the Chancellor’s interim approval to request an amendment to the 2013-2015 appropriations bill to include the upgrade of a portion of Research 2 (R2) for the Center for Computationally Assisted Science and Technology in the amount of $660,000 to be funded by federal grant funds. Mr. Shaft asked Mr. Thursby if his observation was correct; Mr. Thursby responded that SITS has processes in place to review IT requests before reaching the Board to prevent unnecessary overlap, and that most hardware needs for the center are local.

**It was moved** by Shaft, seconded by Hull, to approve ratification of the chancellor’s interim approval to request an amendment to the 2013-2015 appropriations bill to include the upgrade of a portion of Research 2 (R2) for the Center for Computationally Assisted Science and Technology in the amount of $660,000 to be funded by federal grant funds. Reichert, Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, and Espegard voted aye. The motion carried unanimously.

**It was moved** by Hull, seconded by Hjelmstad, to approve the following Academic Consent Agenda items:

- BSC
- Program Terminations:
  - D.P. in Graphic Design and Communication
  - D.P. in Information Processing Specialist
  - D.P. in Lineworker, Electrical
- NDSU
  - Institutional Organizational Change
    - Center for Professional Selling and Sales Technology
- UND
  - Institutional Organizational Change
    - From: Graduate School
    - To: School of Graduate Studies
  - Program Termination: P.C. in Graduate Certificate in Mathematics for Middle School Teachers
- WSC
  - Program Terminations:
    - P.C. in Administrative Assistant Health Information Management
    - P.C. in Administrative Assistant Information Processing Technology
    - P.C. in Agronomy Technician
    - A.A.S., P.C. in Entrepreneurship
    - A.A.S. in Information Processing

Diederich, Hjelmstad, Hull, Morton, Neset, Shaft, Reichert, and Espegard voted aye. The motion carried unanimously. Dr. Diederich commended North Dakota State University for developing its Center for Professional Selling and Sales Technology.

**Announcements**

Chancellor Shirvani thanked the campus presidents and their staff for their work in preparation for legislative committees, stating that he was impressed and energized by their presentations. Chancellor Shirvani took the opportunity to introduce formally new University System senior staff members Linda Donlin, director of communications; Noah Brisbin, special assistant to the
chancellor; Kirsten Franzen, chief compliance officer; and Claire Holloway, general counsel. The chancellor acknowledged the work of the search committee for new university counsel, which included Ms. Reichert, Mr. Shaft, Dr. Haller, and Mr. Thursby among its members.

Dr. Hjelmstad updated the Board on the Lake Region State College presidential search. He announced that the application window would close over the weekend, and that the search committee’s next meeting, on January 28, would produce a list of semifinalists for the committee to interview in February, with a new president chosen by March.

President Espegard thanked Erika Lorenz for her service to the Board as its secretary. President Espegard then announced dates for future Board meetings: March 7 in Bismarck, May 9 in Grand Forks, and June 20 in Bottineau.

The meeting adjourned at 2:05 p.m. CT.

______________________________  ________________________________
Executive Secretary                  President

______________________________
Date
13a
Meeting Notice and Agenda

The State Board of Higher Education Audit Committee will meet on Wednesday, March 6, 2013, at 11:00 a.m. CT, in Room 433, National Energy Center of Excellence, Bismarck State College, Bismarck, ND.

1. NDUS FY2012 financial statement audit report – Mr. Paul Steussy and Mr. Jason Wahl
2. Recommend approval of responses to NDUS FY2012 financial statement audit report
   (with authority to hold an executive session per N.D.C.C. § 54-10-26)

(Meeting to recess by 12:00 p.m. on March 6 and resume at 11:00 a.m. on March 7)

Adjourn

Contact Noah Brisbin at (701) 328-4150 or noah.brisbin@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
Meeting Notice and Agenda

The State Board of Higher Education Academic Committee will meet on Thursday, March 7, 2013, at 8:00 a.m. CT, in Room 433, National Energy Center of Excellence, Bismarck State College, Bismarck, ND.

1. Approve January 17, 2013, meeting minutes
2. Academic Requests
   - UND
     - Institutional Organizational Change
       - From: Department of Physical Education, Exercise Science and Wellness
       - To: Department of Kinesiology and Public Health Education
     - Changes in Program Title and New Degree
       - From: Physical Education, Exercise Science and Wellness
       - To: Kinesiology and Public Health Education
     - New Degree
       - Bachelor of Science in Public Health Education
     - Program Approval and New Degree
       - Doctor of Nursing Practice
   - Program Terminations
     - Bachelor of Arts in Classical Languages
     - Transitional – Master of Occupational Therapy
3. Collegiate Learning Assessment (CLA) presentation – Dr. Roger Benjamin

Adjourn

Contact Noah Brisbin at (701) 328-4150 or noah.brisbin@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
13c
Meeting Notice and Agenda

The State Board of Higher Education Executive Committee will meet on Thursday, March 7, 2013, at 9:30 a.m. CT, in Room 433, National Energy Center of Excellence, Bismarck State College, Bismarck, ND.

1. Approve January 17, 2012, meeting minutes
2. Review semiannual Budget Report for period ending December 31, 2012
4. Report on SBHE Policies review – Ms. Claire Holloway
5. Report on implementation of Pathways to Student Success tuition model – Chancellor Hamid Shirvani
6. Review and consider SBHE position on 2013 legislation
7. Review and recommend for approval TIAA-CREF retirement plan class change and revenue account
8. Financial and Facility Requests
   - Recommend ratification of the Chancellor’s interim approval authorizing UND to enter into a ground lease between UND and UND Aerospace Foundation to enable construction of a new aerospace building; approve site of new building (Center for Aerospace Research and Innovation) to be constructed and owned by UND Aerospace Foundation; and authorize exception to SBHE policy 902.3, section (11) permitting construction and project accounting to be managed by the Aerospace Foundation.
   - Recommend ratification of the Chancellor’s interim approval authorizing UND to proceed with miscellaneous renovation projects throughout the existing School of Medicine and Health Sciences (SMHS) facility at an estimated cost of $475,000, to be funded with SMHS local funds.
   - Recommend approval of VCSU request authorizing the issuance of Not to exceed $3,000,000 Housing and Auxiliary Facilities Revenue Refunding Bonds, Series 2013 (Kolstoe Housing Bonds) to refinance its 2003 Bond issuance.
   - Recommend approval of MiSU request for increase in geothermal project authority from $9.35 million to $10.0 million, with the increase of $650,000 funded from Department of Commerce ARRA funds.

Adjourn

Contact Noah Brishin at (701) 328-4150 or noah.brishin@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.

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
13d
Meeting Notice and Agenda
March 7, 2013

The State Board of Higher Education will meet Thursday, March 7, 2013, at 1:00 p.m. CT, in Bavendick Stateroom of the National Energy Center of Excellence, Bismarck State College, Bismarck, North Dakota.

The exact time each agenda item will be discussed cannot be assured.

Wednesday, March 6, 2013

11:00 a.m. – 12:00 p.m.  SBHE Audit Committee meeting
12:00 p.m. – 1:00 p.m.  Lunch
1:00 p.m. – 2:00 p.m.  Interview with Dr. Doug Darling
2:00 p.m. – 3:00 p.m.  Interview with Dr. Jerry Migler
3:00 p.m.  SBHE deliberation and selection of LRSC president
(with authority to hold an executive session per N.D.C.C. § 15-10-17(1)(a))
6:00 p.m.  Dinner Social for SBHE at Toasted Frog, 124 N 4th St., Bismarck

Thursday, March 7, 2013

7:00 a.m. – 8:00 a.m.  Breakfast

National Energy Center of Excellence Room 436

8:00 a.m. – 9:30 a.m.  SBHE Academic Committee meeting
9:30 a.m. – 11:00 a.m.  SBHE Executive Committee meeting
11:00 a.m. – 12:00 p.m.  SBHE Audit Committee meeting, continued
12:00 p.m. – 1:00 p.m.  Lunch

National Energy Center of Excellence Room 436

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
1:00 p.m. – 4:00 p.m.

CALL TO ORDER

1. Board President’s Remarks
2. Chancellor’s Report
3. State Board of Agricultural Research and Education Annual Report – Mr. Rodney Howe and Dr. Ken Grafton
4. Presentation by Dr. Ray Nadolny, President, Williston State College
5. Presentation by Dr. Gary Hagen, President, Mayville State University
6. Public Comment

BOARD BUSINESS

7. Approve January 7, 2013, and January 17, 2013 meeting minutes
8. Introduce Lake Region State College president
9. Review and consider SBHE position on 2013 legislation
10. Report on implementation of Pathways to Student Success tuition model – Chancellor Hamid Shirvani

CONSENT AGENDAS

12. Approve TIAA-CREF retirement plan class change and revenue account.

Financial and Facility Consent Agenda

13. Ratify the Chancellor’s interim approval authorizing UND to enter into a ground lease between UND and UND Aerospace Foundation to enable construction of a new aerospace building; approve site of new building (Center for Aerospace Research and Innovation) to be constructed and owned by UND Aerospace Foundation; and authorize exception to SBHE policy 902.3, section (11) permitting construction and project accounting to be managed by the Aerospace Foundation.

14. Ratify the Chancellor’s interim approval authorizing UND to proceed with miscellaneous renovation projects throughout the existing School of Medicine and Health Sciences (SMHS) facility at an estimated cost of $475,000, to be funded with SMHS local funds.

15. Approve VCSU request authorizing the issuance of Not to exceed $3,000,000 Housing and Auxiliary Facilities Revenue Refunding Bonds, Series 2013 (Kolstoe Housing Bonds) to refinance its 2003 Bond issuance.
16. Approve MisU request for increase in geothermal project authority from $9.35 million to $10.0 million, with the increase of $650,000 funded from Department of Commerce ARRA funds.

Academic Consent Agenda

University of North Dakota requests

17. Institutional Organizational Change
   From: Department of Physical Education, Exercise Science and Wellness
   To: Department of Kinesiology and Public Health Education

18. Changes in Program Title and New Degree
   From: Physical Education, Exercise Science and Wellness
   To: Kinesiology and Public Health Education

19. New Degree – Bachelor of Science in Public Health Education

20. Program Approval and New Degree – Doctor of Nursing Practice

21. Program Termination – Bachelor of Arts in Classical Languages

22. Program Termination – Transitional – Master of Occupational Therapy

STAKEHOLDER REPORTS

23. North Dakota Student Association Report – Mr. William Woodworth


25. Staff Senate Report – Ms. Janice Hoffarth


27. Report on SBHE Policies review – Ms. Claire Holloway

28. Discussion of constituency reports and implementation of NDUS initiatives

Adjourn

Future Board Meetings
- May 9 – UND
- June 20 – DCB
- September 24-25 – BSC (Joint Boards meeting)

Contact Noah Brisbin at (701) 328-4150 or noah.brisbin@ndus.edu prior to the scheduled meeting date if auxiliary aids or services are needed.
You've captured the conversation well. My only addition would be that when I was questioned about it later by those who were not present, I said that "he was joking......I hope." That, too, was a quip.

Larry C. Skogen, Ph.D.
President
Bismarck State College
PO Box 5587
Bismarck ND 58506-5587
701.224.5431

From: Holloway, Claire
Sent: Wednesday, March 13, 2013 1:45 PM
To: Skogen, Larry
Subject: allegation in March 7 materials

Larry,

I would like to follow up our telephone conversation to ensure I have an accurate understanding and a written record of your views regarding an allegation raised in the materials provided to the SBHE on March 7th. Specifically, there is an allegation that "As presidents left [a recent cabinet] meeting, at least one president reported (sic) threatened with his job for what he said." After speaking with SBHE members, I understand the president involved in that allegation was you, and I called you to make sure I heard your perspective on the conversation directly.

I understand that – from your perspective and the relevant SBHE member's perspective – the comment made by the SBHE member was simply said in jest as part of a cordial conversation after the meeting. More specifically, I understand you raised a concern in the cabinet meeting, and Grant Shaft made a joke about your willingness to do so at the end of the meeting. I also understand SBHE members have reached out to you about this, and you confirmed your belief the comment was a joke and not a threat. If I may quote you from our telephone conversation, you said you did not feel your job was threatened then; nor do you feel it is threatened now.

Please correct me if I have misstated anything, and thank you again for your time.

Kind regards,
Subject: RE: Concerns
Date: Thursday, March 14, 2013 8:21:42 AM Central Daylight Time
From: Sydney Hull
To: Holloway, Claire

Claire,

I am not trying to avoid the question or not tell you who gave it to me. It was given to me by Robert Vallie, he received it from Representative Hawken who provided it to him after she had received it from an undisclosed source. That is the extent of my knowledge. Again I provided the document for consideration to get the entirety of my concerns out into the open.

Sydney

From: Holloway, Claire [claire.holloway@ndus.edu]
Sent: Wednesday, March 13, 2013 1:54 PM
To: Sydney Hull
Subject: Re: Concerns

Sydney,

I think I’m missing something. Can you please tell me how it was provided anonymously? Do you not know who gave it to you, or do you not want to tell me who gave it to you? I just want to understand so I don’t misrepresent it.

Thanks again,
Claire

On 3/13/13 11:04 AM, "Sydney Hull" <Sydney.Hull.1@my.ndsu.edu> wrote:

Claire,

My Internet is running out. But I will try my best to answer and check back in the morning. That was a document provided anonymously (I'm sorry, I know that's frustrating) that I included for two reasons. One to get all my information out in the open so we stopped all this secrecy and two because it was consistent with Mr. Seaworth's allegations so I thought it merited consideration. I will check back for any follow up questions and I am currently exploring the Skype option or a call. Thanks so much for the call advice, I will be on tomorrow.

Best,

Sydney

Sent from my iPhone

On Mar 13, 2013, at 5:53 PM, "Holloway, Claire" <claire.holloway@ndus.edu> wrote:
Thanks, Sydney. I sent you an email as well. I would like to know the context of the 2-page document you provided that contains the 13-point outline of various allegations. What can you tell me about it? Who wrote it? When was it written? I don't have any background info for it.

Also, I understand you have questions about the logistics of the conference call. We at the system office are available to help set the call up for you and resolve any IT or access issues you may have. For example, we can help you set up a Skype account, locate local Internet services (although it looks like you have internet access) or help in any other way. Duaine has said the board will pay for it so you won't have to. We can get you on the call. Just let us know, and we'll get right on it.

Thanks so much,
Claire

On Mar 13, 2013, at 10:41 AM, "Sydney Hull" <Sydney.Hull.1@my.ndsu.edu> wrote:

Claire,

I am sorry I just received Duaine's email stating you had concerns. Ask me here and I promise I will answer before the meeting and help any way I can.

Best
Sydney

Sent from my iPhone
1. The Board establishes an Executive Committee with responsibility for review, recommendations, studies and reports related to budgets, capital, compensation, executive contract terms, finances, planning, and other matters referred by the Board, including:

a. Administrative and financial policies, except those for which authority is expressly delegated to the Chancellor;

b. Budget and capital guidelines and priorities;

c. Annual salary guidelines;

d. Tuition and fee models and rates;

e. Funding mechanisms consistent with the Board’s strategic direction, other state priorities and institution missions;

f. Policies necessary for enforcement of sound accounting, auditing and internal control practices;

g. Policies designed to encourage adherence to ethical standards within the system, including policies related to compliance with laws and regulations, ethics, conflict of interest and the investigation of misconduct or fraud;

h. Annual and biennial budgets for the Board, including Board initiatives, programs and related activities;

i. Information technology system and service projects; and

j. Effectiveness of procedures for monitoring compliance with appropriate laws and regulations, codes of conduct, conflict of interest policies, and complaint reporting procedures.

2. The Executive Committee shall consist of a minimum of three individuals, including the Board President and two other members of the Board. The Chancellor shall be an ex-officio, non-voting member. The Board shall appoint Committee members other than the
Board President annually at the meeting when Board officers are elected, with vacancies to be filled by appointment by the Board President as they occur.

3. The Board President or other member designated by the President shall be Committee Chair. The Committee shall meet at the call of the Chair. The Chancellor shall assign support staff for the Committee.

HISTORY: New Policy. SBHE Minutes, September 5, 2012
June 4, 2012

Dear Presidents:

The North Dakota State Board of Higher Education recently concluded a retreat where we engaged a consultant, Dr. Kenneth Shaw, to guide us through discussions about effective system and university management. Dr. Shaw is a highly respected academic leader and a former university president and head of the University of Wisconsin system. As a result of the retreat, the Board reached an understanding as to how we want the North Dakota University System (NDUS) to proceed under the leadership of its new Chancellor, Dr. Hamid A. Shirvani.

As a Board, we are fully committed to moving the North Dakota University System to the next level as a strong, cohesive system that better serves the State of North Dakota and its residents. We appointed Dr. Shirvani as our new Chancellor because of his extensive experience in higher education, and we are confident that he will provide the leadership necessary to guide the NDUS to the next level of its maturity.

With new leadership there will always be adjustments, some with more impact than others. Our selection of Dr. Shirvani is a part of a broader change that the Board desires within the NDUS. Out of deep respect for you as our university and college presidents and your responsibilities for your respective campuses, we desire to keep you fully informed of these changes.

It is the Board's desire that the System's operating structure, hierarchy and protocol align with the traditional structure, hierarchy and protocol of respected, established university systems. We believe this adjustment is necessary in order to strengthen the entire university system by providing accountability, and ensuring compliance, efficiency and effectiveness. Effective July 1, 2012, there will be a clear line of authority from the Board to the Chancellor, and from the Chancellor to the campus presidents. Chancellor Shirvani will be in charge of the System's operations and is, in effect, the chief executive officer of the NDUS. While the State Board of Higher Education has played a very active role with daily operations in the past, we are stepping back to permit Chancellor Shirvani to carry these responsibilities and are returning to our proper role as a policy-making governing board. As you can see, roles and responsibilities are being redefined.

This change in the roles of the Board and Chancellor also impacts the roles of the campus presidents and the relationship between the Board and the campus presidents. We expect that communication will follow proper channels along the line of authority. This means that
presidents should bring campus issues directly to the Chancellor and not to the Board. The Chancellor will have the responsibility to work with you on these issues, and it is the Chancellor who will determine when it is necessary to approach the Board. We want to be clear that we are not intending to distance ourselves from you, but the structure of our formal relationship is changing. We will continue to interact but we want to be very clear that you report directly to the Chancellor and should direct campus issues to the Chancellor rather than to the Board or the Board’s individual members.

The Board and the NDUS staff, including Vice Chancellors, will also have to respect the new line of authority. Therefore, we expect Board members and staff to direct their communications regarding campuses to the Chancellor, who will, in turn, address those communications to the presidents. The Board and staff will not intermeddle with your administration of your individual campuses nor will there be micromanagement from the Chancellor, staff or the Board.

Chancellor Shirvani is charged with oversight, accountability, compliance, efficiency and effectiveness of the NDUS. Most importantly, he is leading the advancement of the NDUS to the next level. Presidents remain responsible for operating their campuses, within the structure of Board policy, but Chancellor Shirvani is responsible for the entire System, and he is the ultimate authority reporting to the State Board of Higher Education.

We take our responsibilities as Board members very seriously, and we believe that these adjustments will allow the NDUS to better serve the State of North Dakota. We are constitutionally charged with the control and administration of our state’s institutions of higher education. Ours should be a role of policymaking as we do not have the expertise to manage the day-to-day operations of a system of higher education. Chancellor Shirvani does, and we will fully support him and his authority as head of the system and expect that you will do the same.

Finally, we sincerely thank you for the role you continue to play in the achievements of your individual campuses and the overall success of the North Dakota University System.

Sincerely,

Grant H. Shaft
President
North Dakota State Board of Higher Education
Dear Campus Community,

The North Dakota State Board of Higher Education is fully committed to moving the North Dakota University System (NDUS) to the next level as a strong, cohesive system that better serves the State of North Dakota and its residents. We have an solid base to build upon as is evidenced by our annual Accountability Measures report to the legislature which indicates that our systems meets or exceeds all measured expectations. Recently, we appointed Dr. Hamid A. Shirvani as our new Chancellor because of his extensive experience in higher education. We are confident that he will provide the leadership necessary to guide the NDUS to the next level of its maturity.

It is the Board's desire that the System's operating structure, hierarchy and protocol align with the traditional structure, hierarchy and protocol of respected, established university systems. We believe this adjustment is necessary in order to strengthen the entire NDUS by providing accountability, and ensuring compliance, efficiency and effectiveness. Commencing July 1, 2012, there will be a clear line of authority from the Board to the Chancellor, and from the Chancellor to the campus presidents. Chancellor Shirvani will be in charge of the system’s operations and will be, in effect, the chief executive officer of the system. While the State Board of Higher Education has played a very active role with daily operations in the past, it is time that we return to our proper role as a policy-making governing board. As you can see, roles and responsibilities are being redefined.

This change in the roles of the Board and Chancellor also impacts the roles of the campus presidents and the relationship between the Board and the campus presidents. We expect that communication will follow proper channels along the line of authority. This means that campus presidents should bring campus issues to the Chancellor and not directly to the Board or its individual members. The Chancellor will have the responsibility to work with campus presidents on these issues, and it is the Chancellor who will determine when it is necessary to approach the Board. We are not distancing ourselves from campus presidents, but our formal relationship is changing. We want to be very clear that campus presidents report to the Chancellor and should direct campus issues to the Chancellor. The Board and the NDUS staff will also need to respect the new line of authority and respect the campus president's role in administering their individual campuses.
We take our responsibilities as Board members very seriously, and we believe that these adjustments will allow the NDUS to better serve the State of North Dakota. We are constitutionally charged with the control and administration of our state’s institutions of higher education. Ours should be a role of policy making as we do not have the expertise to manage the day to day operations of a system of higher education. Chancellor Shirvani does and we will fully support him and his authority as head of the System and expect that you will do the same.

Finally, we sincerely thank you for the role you continue to play in the achievements of your individual campuses and the overall success of the North Dakota University System.

Sincerely,

Grant H. Shaft
President
North Dakota State Board of Higher Education
Since the initial presentation of the *Pathways to Student Success* plan in August of 2012, there have been multiple layers of consultation that have taken place both within and outside the North Dakota University System:

- The presidents met with the Chancellor on August 2nd and 6th. These were tier meetings where the presidents were directed to take the *Pathways* plan to their respective constituencies for comment. This input, some in the form of questions and others in the form of comments, was then collected by the presidents and transmitted to the system office.

- On August 20th, the Chancellor Shirvani and State Superintendent Sanstead signed a joint letter to all college and high school administrators expressing their clear expectations regarding the delivery of dual credit courses in North Dakota. Included in the letter was a set of joint standards for the maintenance of the academic rigor expected of all dual-credit courses.

- The Chancellor presented the *Pathways* Plan to this board on September 26, 2012.

- The *Pathways* plan was introduced by me at both the Academic Affairs Council (AAC) and the Student Affairs Council (SAC) in September. Students are represented in both these councils.

- This *Pathways* plan was subsequently discussed in these two councils at their November, December, and January meetings.

- Following our regular January meeting with the two councils, I and the members of my staff met for a half day with a workgroup consisting of provosts and Vice Presidents for Student Services where we addressed several pages of questions submitted by the campuses regarding the implementation of the plan.

- My staff and I prepared and disseminated a document titled “Decision Points” which, over the course of several months, provided updated information regarding specific issues raised by the institutions and subsequently resolved by the Chancellor in consultation with the presidents. Examples include the high school core of fifteen courses; the automatic admissions scores of the institutions (180, 190, 210); residency tuition charges for the regional and research universities; greater transparency between tuition and non-mandatory fees; and tuition waivers, to name but a few.

- Vice Chancellor Glatt met with the Administrative Affairs Council regarding the *Pathways* Plan tuition model on August 28, October 9, November 5 and 20, December 6, January 8, and February 12. She also met with individual campus representatives or tier representatives on December 27, January 15, 17, and 24, and February 1.

- *Pathways* was presented at the ND Tribal College Consortium meeting on August 23.

- *Pathways* was presented at ND P-20 council meetings on August 10, and Sept 28.

- Dr. Shirvani presented at Council of College Faculties on September 11.

- The chancellor, the vice chancellors, and system staff met with the presidents and their vice presidents on several different occasions, the first being October 1-2—both together as a whole
and by tier—to negotiate particular aspects of the Pathways plan. Formal written responses were requested of and provided by each of the campuses.

- The chancellor met twice with the NDSA (September 21 and January 25) and with the high school students at Minot to discuss the Pathways plan and receive comment.
- The chancellor hosted a half-day meeting with representatives from K12, CTE, and DPI on October 10 to discuss the Pathways plan.
- Other meetings where the Pathways plan was introduced and discussed involved the following conferences for K12 student information:
  - North Dakota Council of Educational Leaders (NDCEL) Fall Conference—Oct 18
  - Regional Counselor meeting—Devils Lake—November 15
  - NDCEL—Superintendent Conference—January 29
  - ND State Counselor Conference—February 4
  - NDCEL—Principal Conference—February 5
- Dr. Shirvani made a presentation at a Lions Club meeting on October 17
- Pathways was again discussed at the Council on Technical Education meeting on November 2
- Dr. Shirvani made a presentation at a Rotary Club meeting on November 27

In conclusion, permit me to say that there has been a thorough vetting of the Pathways plan before a multitude of different groups. What I have not included in this list are the numerous individual phone conversations, e-mail exchanges, and one-on-one meetings which all of us in the system office have had with individuals on the respective campuses as well as students, counselors, principals, superintendents, and members of the DPI staff.

Thank you for the opportunity to apprise you of this activity.