

STATE BOARD OF HIGHER EDUCATION
Minutes—February 17-18, 2000
Mayville, ND

Members of the State Board of Higher Education met for orientation in the Lester Parish Room in the Student Union on the campus of Mayville State University February 16, 2000, at 1:00 p.m. CT. Board members met with faculty, staff, and students; had presentations on information technology and student assessment; and toured various capital improvement projects on campus. Members present included Dr. Isaacson, Mr. Peltier, Mrs. Clayburgh, Mrs. Satrom, Mr. Caspers, Dr. Kunkel, Dr. Andreasen, and Mr. Bernstein.

The State Board of Higher Education met February 17-18, 2000, in the Luckasen West Room in the Student Union on the campus of Mayville State University. The president called the meeting to order at 8:30 a.m. CT. Members present were:

Mrs. Jeanette Satrom, President	Mr. Craig Caspers
Dr. Bill Isaacson, Vice President	Mr. John Korsmo
Mr. Joe Peltier	Mr. Ryan Bernstein, Student Member
Dr. Richard Kunkel	Dr. Bethany Andreasen, Faculty Representative
Mrs. Beverly Clayburgh	

Presidents and Executive Deans present were:

Dr. Donna Thigpen, BSC	Dr. Jerry Olson, NDSCS
Dr. Charles Kupchella, UND	Dr. Ellen Chaffee, MaSU/VCSU
Mr. Garvin Stevens, WSC	Dr. Sharon Etemad, LRSC
Dr. Lee Vickers, DSU	

Dr. Jim Croonquist, MiSU/MiSU-BC, attended in place of Dr. Erik Shaar
Dr. Craig Schnell, NDSU, attended in place of Dr. Joe Chapman

Staff members present were:

Larry A. Isaak, Chancellor
Michel Hillman, Vice Chancellor for Academic Affairs
Laura Glatt, Vice Chancellor for Administrative Affairs
Eddie Dunn, Vice Chancellor for Strategic Planning/Exec Dir CTEC
H.P. Seaworth, General Counsel & Executive Secretary
Cathy McDonald, Director of Finance
Sheila Tibke, Administrative Secretary

Senator Elroy Lindaas and Representative Carol Neimeier attended portions of the meeting.

Minutes

It was moved by Mrs. Clayburgh, seconded by Mr. Caspers, and unanimously carried to approve the minutes of the January 20, 2000, meeting as distributed.

Board President's Report

President Satrom distributed information on finance committees in other states and proposed forming a finance subcommittee. She asked that the Board members review the information and the proposed committee would be discussed on Friday morning during Board member reports.

President Satrom indicated that she visited with Chancellor Isaak about an education plan for the Board. The education plan needs to be the Board's decision and direction for the plan may come from the Roundtable and should mesh with the *Six-year Plan*. Following discussion, it was the consensus of the Board to review the role and responsibilities of the Board at each June meeting, when the new and the outgoing members are in attendance. Mrs. Satrom also suggested that the Board may want to consider possibly asking the chairmen of the six cornerstones task forces to give verbal reports at the June 2000 meeting.

President Satrom gave the Board an overview of the Quality Learning Communities—Futures 2000 Assembly in Orlando, Florida that she attended in January. She strongly recommended that other Board members consider attending this conference in the future.

President Satrom reminded the Board that Mr. Peltier is now the WICHE commissioner for the Board of Higher Education and with his term on the Board expiring in June 2000, a new commissioner will need to be appointed. This will be voted on at the March Board meeting. She also informed the Board that election of Board officers will take place at the March Board meeting. President Satrom then asked for volunteers for commencement exercises.

Chancellor's Report

Chancellor Isaak reported that the Higher Education Roundtable will meet on April 18-19, 2000, in Rugby.

Chancellor Isaak indicated that he was invited to attend a meeting to develop a strategic plan for GNDA. He said that two goals were defined at that meeting that will affect higher education: 1) GNDA will revisit the Vision 2000 Report and 2) build a new economy for ND.

Chancellor Isaak distributed copies of the second edition of the *NDUS Viewbook* and poster. These *Viewbooks* are distributed to all high school juniors in ND, as well as counselors in surrounding and WICHE states.

The Governor's budget guidelines will be issued March 7, 2000, in Bismarck. The presentation will also be broadcast on the internet.

Chancellor Isaak reported that the Governor and some of his cabinet met with the two-year presidents and their workforce training personnel. The Governor was briefed on the progress in each region in the area of workforce training.

Student Association Report

Ms. Maggie Clemens, vice president of the NDSA, thanked Mr. Caspers for attending part of the NDSA meeting February 11-12, 2000. At this meeting, they approved several changes to their constitution and opened nominations for next year's executive team. NDSA also unanimously passed a resolution opposing the proposed pay per credit tuition model at BSC. A copy of the resolution is on file in the System office. The next meeting of the NDSA will be March 24-25, 2000, at DSU. All Board members were invited to attend.

Council of College Faculties Report

Dr. Andreasen reported that the CCF met over IVN on January 27, 2000. Their main topic of discussion was the proposed policy revisions. The CCF passed motions pertaining to the proposed policy revisions. Copies of these motions are on file in the System Office. She also reported that three CCF members will serve on a joint committee with the Academic Affairs Council to work with Mr. Seaworth on the faculty appeals process. The CCF also discussed the proposed sick leave policy for faculty. Their recommendation is that the Board devise a general policy for the NDUS with specifics decided by each campus. The next meeting of the CCF is on February 22, 2000, over IVN and they will have a joint meeting with the Board of Higher Education on March 24, 2000.

Special Orders

FINDET Report

Mr. Dunn and Dr. Hillman presented the FINDET Report. This report is a follow-up on 1998 placements of 1997 NDUS graduates. The report indicates that approximately 53 percent of 1997 NDUS graduates were either employed in ND or re-enrolled in ND higher education institutions one year after their graduation. As expected, a higher portion (65.7%) of the graduates who were North Dakota residents were found to remain in North Dakota after graduation. The report also indicates that 30.4 percent of MT residents, 22.6 percent of MN residents, and 20.9 percent of SD residents remained in ND after graduation from an NDUS institution. Teacher education and related areas retained 51.1 percent of their graduates in the State along with 33.1 percent in architecture, engineering, and related areas. Dr. Hillman said that 2,295 1997 NDUS graduates worked in the private sector in ND in 1998; 460 worked in local government, including school districts; and 250 in state government. The average salary of all of the graduates is only \$60 - \$70 less per month than the average salary of the entire ND workforce. Mr. Dunn, in response to a question, said NDUS is currently limited to identifying

job placement by industry but is exploring getting occupation information from employer surveys.

Mr. Dunn and Dr. Hillman both stated that this report will benefit the campus presidents in identifying program needs on their campus and in the state.

It was moved by Mr. Caspers, seconded by Mrs. Clayburgh to accept the FINDET Report and to encourage the NDUS and SOICC Board to do whatever is necessary to add an occupation code data element to the FINDET information that would identify placement of graduates by occupation and not just by industry codes. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

Mr. Korsmo inquired about the possibility of conducting the study on five-year intervals for the same graduating class. He said this might give a more accurate account since some graduates may have to leave ND to finish their education. Mr. Korsmo stated that five-year intervals would be a more effective planning tool for what people in decision-making positions need and would also take into account the changes taking place in the economy of ND. Mr. Dunn responded that the system is designed to be able to do this depending upon the intervals most useful to the Board and the campuses.

It was moved by Mrs. Clayburgh, seconded by Mr. Korsmo to encourage state agencies and the legislature to continue funding this effort into the future. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried. A copy of the report is on file in the System office.

Diversity Council Report

Mr. Paul Boswell, NDSU, and Dr. Etemad presented the 1999 Diversity Council Report. Mr. Boswell reported that the Council identified six issues and concerns that are consistent throughout the NDUS and not localized on any individual campus:

- ✓ Diversity Commitment
- ✓ Communication
- ✓ Planning/Funding
- ✓ Student Input
- ✓ Campus/Community Support and Attitude
- ✓ Cultural Diversity Tuition Waivers

From these six issues and concerns, the Council developed a list of fourteen recommendations. Mr. Boswell said the Council will hold a spring conference April 13-14, 2000, at NDSU at which time they will take the fourteen recommendations and develop goals to implement the recommendations across the NDUS campuses. He said the Council hopes to implement the goals in 2000-2001. A copy of the report is on file in the System office.

HERI Survey

Dr. Justin Wageman, NDSU, and Dr. Hillman presented the 1998-1999 HERI Faculty Survey Report. Dr. Wageman reviewed the findings from the survey, which had a response rate of 59.5 percent.

- ✓ ND's doctorate-granting institutions had higher percentages of male faculty and the lowest percentages of female faculty than four-year, two-year, and national institutions.
- ✓ The majority of ND faculty held the rank of associate professor.
- ✓ Two-year institutions reported higher percentages of tenure status than doctorate, four-year, and national institutions. NDUS doctorate institutions recorded the lowest percentages with tenure status.
- ✓ ND faculty at two-year institutions were generally younger than their peers at four-year and doctorate institutions, ranging from 35 to 44 years of age.
- ✓ The primary interest and principal activity of faculty in ND's eleven public institutions was teaching, and their highest goal was to be good teachers.
- ✓ ND faculty spent significantly more time in the classroom and on teaching-related activities than did their peers nationally. Faculty in the five two-year institutions expended the most time.
- ✓ ND faculty spend significantly less time on research than do their peers nationwide, particularly in the doctorate-granting institutions; thus, ND faculty published less than faculty nationally.
- ✓ The average ND faculty member spent over 50 hours per week on job-related activities (cf. 51.6 hours per week for doctorate institutions, 53.2 hours for four-year, and 54.0 hours for two-year).
- ✓ ND faculty were generally using information technology more than their peers were nationally, specifically for communicating by e-mail.
- ✓ ND faculty were, overall, less satisfied with their jobs than faculty nationally, particularly in the area of salary and benefits.
- ✓ Time pressures created the greatest stress for faculty, followed by lack of personal time, and institutional procedures and "red tape." NDUS faculty at doctorate-granting institutions also indicated the review and promotion process and the research and publishing demands as being highly stressful.
- ✓ The number one goal ND faculty had for their undergraduate students was to develop their ability to think clearly.

Dr. Hillman said the report indicates that ND faculty are very dedicated to teaching. They are working 50-54 hours a week, which makes it hard to balance a work week with a family week. Faculty also need time to read journals and stay current in their disciplines. He said that productivity has reached its limit and he does not think that much more can be expected from faculty. A copy of the report is on file in the System office.

Performance of ND High School Students

Mr. Gaylynn Becker, Department of Public Instruction (DPI), was at the meeting to respond to a question from the November 1999 Board meeting on what happens to ND students between 8th and 12th grades because their test scores drop? Mr. Becker presented results of the CTBS/4 tests from 1990-1997. He stated that although national percentile ranks seemed to drop two to three points from 8th grade to 11th grade, it could be due to the fact that the drop out rate is higher

nationally than in ND. He said that if many lower achieving students are excluded from the national norms at the high school level, the national average will tend to be a little artificially high on a norm-referenced test. In 1998 and 1999, the CTBS/5 test used new norms. These scores indicate that the 10th grade students scored a few points higher than the 8th grade students. This could be the result of drop out rates decreasing nationally. Mr. Becker indicated that there is not a drop in test scores between 8th and 11th grades, it is due to the norms that are set.

Consent Agenda

It was moved by Mr. Peltier, seconded by Mr. Kunkel, to approve the following consent agenda items 1 through 6. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

1. Approved changes to Article VII, sections 7.1 and 7.2 of the Plan Document for the TIAA-CREF Defined Contribution Retirement Plan. The change clarifies withdrawal of funds upon disability. It states that benefits may be received before termination of employment if the participant is disabled and that cash withdrawals may not be received while the participant is employed by the institution unless the participant is disabled.
2. Approved an exception to SBHE Policy 703.1 Early Retirement for Allen Dockter to teach two sections of Introduction to Computers 101 for spring semester 2000 at **Bismarck State College**.
3. Accept grants at **Minot State University**.
4. Accept grants and contracts at **North Dakota State University**
5. Authorized **North Dakota State University** to proceed with the following projects:
 - a. Water Line Repairs/Replacement. Estimated cost is \$250,000. Source of funding is the 1999-2001 capital improvement budget.
 - b. Miscellaneous HVAC Upgrades. Estimated cost is \$313,000. Source of funding is the 1999-2001 capital improvement budget.
 - 1) Ladd Hall-chiller replacement and air conditioning enhancements
 - 2) Dolve Hall-air conditioning system
 - 3) Bison Sports Arena-chiller replacement & HVAC system modifications
 - 4) Old Main-HVAC system modifications
 - 5) Agricultural & Biosystems Engineering-air conditioning
 - c. Dolve Hall Electrical Upgrade. Estimated cost is \$125,000. Source of funds will be local funds.
 - d. Fire Alarm upgrades in Waldron, Harris, and Weible Halls. Estimated cost is \$220,000. Sources of funding are the 1999-2001 capital improvement budget for Waldron and Harris Halls (\$100,000) and dormitory repair reserves for Weible Hall (\$120,000).

6. Ratified the action of the Vice Chancellor for Administrative Affairs in awarding the following contracts for the Barnes & Noble Bookstore project at the **University of North Dakota**. Total cost is \$4.5 million. Source of funds is \$3.3-\$3.5 million from reserves and \$1-\$1.2 million from a loan from the Alumni Foundation.
- ♦ MC Roofing & Sheet-metal, Inc. \$111,634
 - ♦ Forks Lath & Plaster \$209,000
 - ♦ ICS, Inc. \$333,650

400 Academic Affairs

Dr. Hillman presented the following academic requests.

- ✓ **North Dakota State University** requests authorization to establish the following centers:
 1. Northern Plains Ethics Institute (NPEI)—NPEI expects to secure \$75,000 a year to support their activities and will involve 100-500 people in the various panel discussions.
 2. Center for 4-H Youth Development—reorganization to more closely align the research focus with the programming effort. The Center will serve 20,000-25,000 youth in ND and many adults.
 3. Center for Corrosion/Coatings Research—the Center will involve 25-30 people who are currently working on a \$1.2 million grant and has been recently approved for an additional \$800,000 grant. They estimate the cost to operate the Center at \$100,000 per year which will be from external project support.

- ✓ **Williston State College** requests approval to offer a new program in Massage Therapy. The program will offer two options: 1) Associate in Applied Science degree and 2) Certificate Program. Students from the Physical Therapy Assistant (PTA) program expressed an interest in receiving training in massage therapy to complement the skills they obtain in PTA. It is not being offered at any other NDUS institution at this time. WSC expects 20-30 applications to this program each year with a limited enrollment of 15 per year for the first two years.

- ✓ **University of North Dakota** requests approval to offer a new program of study—Bachelor of Business Administration with a major in Entrepreneurship. Funding would be from reallocating resources within the campus. Beginning enrollment will initially be limited to 25 students increasing to 60 students within five years. This program does not duplicate any existing ND program.

It was moved by Mrs. Clayburgh, seconded by Mr. Korsmo to approve the above academic requests from **NDSU**, **WSC**, and **UND** with the exception of the Northern Plains Ethics Institute. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

Following discussion on the NPEI, **it was moved** by Mr. Bernstein, seconded by Dr. Kunkel to approve **NDSU's** request to establish the Northern Plains Ethics Institute. Mr. Peltier, Mrs.

Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

800 Financial Affairs

Scholar's Program Allocation Request

Ms. Glatt informed the Board the impact the reciprocity program with Minnesota has on the ND State Grant and ND Scholar's Programs. The 1998-1999 reciprocity payment was an estimated \$1.3 million less than the original budget projection for that academic year. Reasons for the difference: 1) MN had not been including in their reciprocity enrollment figures the ND students who had received a failing grade or who were on the pass/fail grading system, whereas ND had been counting these students and 2) the number of ND residents attending college in MN is increasing. This shortfall will affect the number of State Grant awards and Scholars scholarships that will be awarded during the 2000-2001 academic year. Without additional funding for the ND Scholars Program for 2000-2001, NDUS will not be able to renew scholarships for sophomore, junior, and senior students who meet the GPA requirement or make additional awards for freshman Scholars. Ms. Glatt said that the Board may want to consider seeking increased general fund appropriations as part of the 2001-2003 biennial budget request to offset declining revenues from the reciprocity program to continue funding the State Grant and ND Scholars Programs.

It was moved by Mrs. Clayburgh, seconded by Dr. Kunkel to allocate \$200,000 from the Board's Contingency and Capital Improvement Emergency fund to allow NDUS to award 25 new freshman Scholars scholarships and fund the 108 continuing students already enrolled in the Program. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

Responding to questions from Board members on a future projection of revenue from the reciprocity agreement and why more ND students are attending college in MN, Chancellor Isaak indicated that he will ask NDUS staff and campuses to research this issue and provide information to the Board at a future meeting.

Student Charges and Tuition, Room, Board and Fee Rates

Ms. McDonald reviewed the 1999-2000 Student Charges report. She indicated that tuition, fee, room and board rates at NDUS institutions are still competitive both regionally and nationally. The only exception is that the tuition and fee rates at the two-year campuses exceed those regionally and nationally. The ND two-year rates are approximately 9.1 percent more than the regional average, but this percentage has been declining in the past few years because tuition rates at the two-year campuses have been kept to a minimum. A copy of the report is on file in the System office.

Ms. McDonald also reviewed the proposed 2000-2001 room, board, and fee rates. She indicated that the Chancellor's Cabinet has reviewed these guidelines and has approved them. Only two campuses, UND and NDSCS, are requesting an increase in fee rates. Ms. Glatt asked the Board

to also approve a request from MiSU for a clinical lab science program fee of \$750 per semester for the junior year and senior clinical year (five terms). Appendix A.

Dr. Thigpen presented a proposal from Bismarck State College to charge tuition per credit hour. The proposed resident tuition rate is \$63.42 per credit hour. She said one of the reasons they would like to charge per credit hour is because of the expenses they incur by students taking more than 12 credits per semester. That, along with the increase in enrollment that they have experienced, has made it necessary to hire additional adjunct faculty and add to the full-time instructor's loads. There is no additional income for a student taking over 12 credit hours per semester, which leaves the expense of the extra faculty to the campus. She also said that students currently taking less than 12 credit hours per semester pay a significantly higher average per credit hour tuition rate than students taking more than 12 credit hours. Charging per credit hour would make it fairer for those part time students. She indicated that fees would be capped at 13 credit hours per semester. Jeff Hoffman, Mike Schell, Brad Olson (NDSU students), and Mr. Henry Riegler (BSC faculty) were present and expressed their opposition to the per credit hour charge. Following discussion, **it was moved** by Mr. Peltier to approve the tuition, room, board and fee rates, and the BSC per credit hour tuition proposal. Failed for lack of a second. **It was moved** by Mr. Korsmo, seconded by Dr. Kunkel to adopt the proposed pilot project model for **Bismarck State College** for per credit hour tuition with the understanding that this is a pilot project for BSC only and not the entire NDUS. Mr. Peltier, Mrs. Clayburgh, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. Mr. Bernstein voted no. The motion carried. A copy of the proposal is on file in the System office.

It was moved by Mr. Peltier, seconded by Mrs. Clayburgh to approve the 2001-2002 tuition, fee, room and boards rates as proposed, including the clinical lab science fee at MiSU. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

Ms. McDonald reviewed the proposed 2000-2001 annual budget guidelines.

Salary Increases

- ✓ Campuses are required to allocate all funding provided by the legislature for the \$35 per month minimum, 2% and critical salary pool for salary increases.
- ✓ Provide a minimum of \$35 per month and any increase greater than that must be based on documented merit and equity.
- ✓ Additional increases from the critical salary pool should be used to further address equity differences both internal and external.
- ✓ Overall campus salary increases must average at least 3%.
- ✓ Campuses and related entities are encouraged to meet the *Six-Year Plan* goal to increase salaries a total of 5% from internal reallocation within the salary line item by 2004.

Critical Salary Pool

The Board allocated the biennial total from the critical salary pool to the campuses and related entities during the first year of the biennium. A portion of these funds were distributed by the campuses and related entities for additional equity pay increases for faculty and staff in 1999-2000. The remainder of the critical salary pool funds must be allocated to faculty and staff for additional equity pay increases in 2000-2001.

Skills Technical Training Center (STTC)

HB1003 includes an appropriation to NDSU totaling \$1,535,000 for the STTC. NDSU shall follow the intent of Section 13 of HB1003.

Line Item Transfers

Campuses will be given maximum flexibility in managing their financial resources. However, no transfer out of the capital improvement line item will be permitted. Although line item transfers will be considered, the campuses are encouraged to address the salary goals set forth in the *Six-year Plan* within salary line allocations.

Tuition Rates

Proposed tuition rate increases in 2000-01:

UND/NDSU	\$ 124
MiSU	\$ 94
DSU, MaSU, VCSU	\$ 76
Two Year Campuses	\$ 40
Medical School	\$ 986

Carryover

Campuses and related entities must use any carryover from 1997-1999 for capital repairs and improvements, equipment, and other one-time expenditures.

Utility Savings

The campuses are asked to disclose potential utility budget excesses or shortfalls in the annual budget narrative and the plans to address potential shortfalls should also be disclosed.

Projected Revenue Surpluses (Shortfalls)

Campuses and related entities annual budgets should reflect adjusted spending levels as the result of any projected revenue surpluses or shortfalls.

Prairie Public Broadcasting

HB1003 includes an appropriation of \$992,513 for Prairie Public Broadcasting. Section 4 of SB2015 provides an additional \$415,000 general fund appropriation as a grant to Prairie Public Broadcasting.

Transfer Authority HB1021

Section 5 of HB1021 authorizes the transfer of appropriation authority from the Main Station to the Research Centers. Section 6 authorizes the transfer of up to \$227,335 from the Main Station to the NDSU Extension Service.

2000-2001 Technology Pool Allocation

HB1003 includes \$21,948,467 for a technology pool, which consisted of funding for the UND and NDSU campus computer centers, HECN, IVN, and ODIN. \$7,901,615 remains in this pool. The 2000-2001 proposed allocation consists of the amount needed to provide a minimum average salary increase of 3%, plus 48% of the operating budget and 50% of the equipment

budget. Because 48% of the biennial operating budget was allocated in 1999-2000 and is also proposed at the same percentage for 2000-2001, an additional \$306,000 (4%) of operating expenses have been reallocated to salaries. This reallocation provides an additional increase of 8.48% to the salary line, and will be used to address salary issues for staff that are the farthest below market.

It was moved by Mr. Peltier, seconded by Mrs. Clayburgh:

- ✓ To approve the 2000-2001 annual budget guidelines.
- ✓ To approve the allocation of the remaining balance in the technology pool for HECN, IVN, and ODIN (\$7.9 million).
- ✓ To strongly encourage the campuses to make special efforts to address technology salaries and other high priority salary issues.
- ✓ That annual budgets are subject to review and approval by the Chancellor within the guidelines set forth by the Board; however, any transfers between line items or spending of additional estimated income must be approved by the Board.

Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried. A complete copy of the 2000-2001 annual budget guidelines is attached as Exhibit B.

Ag Extension Service and Experiment Station Budget

Dr. Schnell along with Ms. Pat Jensen and Mr. Jerry Doan from the State Board of Ag Research and Education (SBARE) presented the 2001-2003 budget request for the Ag Extension Service and Experiment Station. Ms. Jensen said that SBARE's top priority is to increase the base operating budget for each researcher from \$2,200 to \$6,600. Their total request is for the 2001-2003 biennium is approximately \$53 million in general fund dollars, an increase of \$4.65 million (\$2.75 million base increase and \$1.9 million in new initiatives). These include:

- ✓ 5.5 percent general fund increase (\$713,626) to maintain salary and increase operating dollars for the NDSU Extension Center to continue the on-going work of the Extension Service
- ✓ 6 percent general fund increase (\$1,972,327) to maintain their salary base and increase operating dollars at the ND Ag Experiment Station to sustain the core program.
- ✓ 6 percent general fund increase (\$40,115) for salary and operating dollars to maintain the on-going work of the Northern Crops Institute and to maintain and increase market share internationally and domestically.

Ms. Jensen said that SBARE would also like an additional 4 percent for initiatives for 2001-2003. Mr. Doan reviewed the initiatives, which total approximately \$1.89 million as follows:

Agricultural Financial Management

NDSU Extension Service	\$140,761	no new FTE
Barley		
NDSU Extension Service	\$120,000	1.0 new FTE
ND Ag. Experiment Station	\$108,000	1.0 new FTE
BeefLine		
NDSU Extension Service	\$150,000	no new FTE
ND Ag Experiment Station	\$300,000	2.25 new FTE
Changing Face of Rural Communities		

NDSU Extension Service	\$173,115	1.0 new FTE
ND Ag Experiment Station	\$98,885	1.0 new FTE
Cooperative Canola Research		
ND Ag Experiment Station	\$110,000	1.0 new FTE
Crop Production, Diversification and Protection		
ND Ag Experiment Station	\$336,000	5.0 new FTE
Irrigation		
ND Ag Experiment Station	\$100,000	no new FTE
Langdon Learning Facility		
ND Ag Experiment Station	\$32,000	no new FTE
ND Ag Weather Network Center (NDAWN)		
ND Ag Experiment Station	\$40,000	no new FTE
Wheat Quality		
ND Ag Experiment Station	\$190,000	1.0 new FTE

A copy is on file in the System office.

2001-2003 Biennial Budget

Chancellor Isaak made the following comment in regards to the 2001-2003 biennial budget request:

“The Cabinet has had discussion on the 2001-2003 budget request. While we have not yet developed specific recommendations for your consideration, we have agreed on what we believe should be the focus of the request. We believe it is important that the budget request support directions being discussed by the Higher Education Roundtable, and also, as presented by the Governor in his State of the State address.

“Consistent with this, the Cabinet believes a System budget should be built that provides for:

- ♦ enhanced quality in all educational programs;*
- ♦ enhanced efforts that will have a positive impact on economic development and the economy of the State of North Dakota;*
- ♦ the development of a first rate telecommunications-based delivery system as a means of broadening access to higher education; and,*
- ♦ enhanced accountability demonstrating the State’s return on its investment.*

“Also, we believe the budget should continue to propel change within the NDUS to better serve the needs of the people of North Dakota and the region.”

Each of the campus presidents presented the critical needs/priorities for their campus for the 2001-2003 biennium. Major issues included:

- ✓ salaries/professional development—faculty and staff
- ✓ telecommunications based delivery/technology
- ✓ economic development/innovation/creativity
- ✓ capital construction/infrastructure
- ✓ operating/equipment funding
- ✓ new initiatives

- ✓ ADA requirements
- ✓ improve student retention
- ✓ accreditation
- ✓ collaboration
- ✓ Workforce Training
- ✓ Quality
- ✓ Statewide educational needs assessment

Ms. Glatt briefly reviewed the biennial budget process report. She indicated that to sustain the current base budget approximately \$6 million to continue second year salary increases, \$2 million on the average for utilities, an estimated \$3 million for other operating inflation, plus approximately \$500,000 for Workforce Training would be needed. Chancellor Isaak estimated that between \$12 million and \$15 million is needed to maintain the current level of operation. Ms. Glatt said they would take these priorities into consideration and submit the 2001-2003 biennial budget guidelines to the Board for their approval at the March meeting.

Online Course Development

Dr. Hillman requested that the Board allocate \$20,000 from the Board Initiative Pool to support a systemwide online course development workshop in the spring of 2000. He indicated that there would probably be two different week long intensive course development workshops: one in Blackboard and one in WEBCT. The workshop goals are to:

- ✓ Provide training on two online course development software platforms;
- ✓ Discuss service, quality, and pedagogical issues related to online course and program delivery; and,
- ✓ Establish a network of faculty with knowledge of the complexities of the faculty/student side of online delivery.

Dr. Hillman said that campuses have requested this additional training as a follow-up to the ‘train the trainer’ workshop that was held in 1999. He said that campuses could collaborate through a system initiative and avoid duplication. Hardware, software, servers, software licenses, and faculty development programs are some things that could be shared. The Academic Affairs Council and Chancellor’s Cabinet support this initiative. **It was moved** by Mr. Peltier, seconded by Mr. Caspers to provide \$20,000 in one-time funding from the Board Initiative Pool for the online course development workshop. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

Policy Revisions

Mr. Seaworth recommended that the Board waive second reading and pass on introduction and final passage SBHE Policies 304.1, 305.1, and 605.1. Policy 304.1 Section 1.g., Policy 305.1 Section 3.c., and Policy 605.1 Section 1.c. relate to the campuses awarding tenure. Following Board discussion, **it was moved** by Mr. Korsmo, seconded by Mrs. Clayburgh to delete the changes in **SBHE Policy 304.1 Section 1.g., Policy 305.1 Section 3.c., and Policy 605.1 Section 1.c.** which relate to the awarding of tenure and leave the awarding of tenure to the Board

of Higher Education. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

Mr. Seaworth informed the Board that he has made additional changes to Policy 605.1 that the Board previously reviewed and to Policies 605.2, 605.3, and 605.4 that the Board passed on first reading in November 1999 and reviewed these changes with the Board. The changes were done in response to communications from the NDPEA and CCF. Mr. John Bridewell, UND University Senate, and Ms. Chris Runge, NDPEA, were present and expressed their opinions on the proposed policy revisions.

It was moved by Mr. Peltier, seconded by Mr. Korsmo to waive second reading and adopt on introduction and final passage the following **SBHE Policies**:

304.1 Chancellor/Commissioner of Higher Education: Authority and Responsibilities;

305.1 Presidents Authority and Responsibilities;

605.1 Academic Freedom and Tenure; Academic Appointments; and, amend the policies as Mr. Seaworth recommended and adopt on second reading and final passage the following revised **SBHE Policies**, including changing “requesting party’s” to “institutions” in Policy 605.4 Section 7 line 4:

605.2 Standing Committee of Faculty Rights; Special Review Committee;

605.3 Nonrenewal, Termination or Dismissal of Academic Staff;

605.4 Hearings and Appeals;

611.5 Employee Responsibility and Activities: Outside Employment of Consulting Practices; Use of Institution Property;

612 Faculty Grievances.

Mr. Korsmo stated that he agrees with Dr. Andreasen’s suggestion that the AAC/CCF be charged with working out language on the mediation process, a definition of grievance, and what kind of training should be provided to the standing committee on faculty rights. Their recommendations should come back to the Board for inclusion into the appropriate policies.

Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried. Exhibit C.

Dr. Hillman reviewed the changes to SBHE Policy 409 Degrees Offered. Among the changes in the revised policy is the distinction between certificates of completion and certificate programs and the offering of a new degree, Bachelor of Applied Science (B.A.S.). **It was moved** by Mr. Peltier, seconded by Mr. Bernstein to approve on introduction and first reading **SBHE Policy 409 Degrees Offered**. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried. Exhibit D.

Mr. Seaworth reviewed changes to the 800 and 900 sections of the SBHE Policy Manual. **It was moved** by Mr. Korsmo, seconded by Mrs. Clayburgh to approve on introduction and first reading the following **SBHE Policies** with the change in Policy 916 deleting everything after “Campus Security Act of 1990” in section 2. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr.

Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried. Exhibit E.

- 801 Treasurer**
- 801.1 Authorization to Sell Securities**
- 802.1 Uniform Accounting Manual**
- 802.2 Internal Auditing**
- 802.3 Audit Reports**
- 802.4 Fiscal Reports**
- 802.5 Annual Budget/Payroll Availability**
- 803.1 Purchasing Procedures**
- 803.2 Emergency Purchasing**
- 803.3 Purchase and Maintenance of Vehicles**
- 804 Leasing Policy**
- 804.1 Tax Exempt Bond Issues and Lease Purchase Financing**
- 805.1.1 Medical Technology Tuition**
- 805.1.2 Capacity Enrollment Fee**
- 805.1.3 Audit Fee**
- 805.2 Student Activity Fees**
- 805.3 Application, Course, Program and Other Miscellaneous Fees**
- 805.3.1 Distance Learning Courses**
- 805.3.2 Correspondence Fees**
- 805.4 Course Challenge Fee**
- 805.4.1 Course Articulation Fee**
- 805.5 Special Course Fees**
- 805.6 Room and Board Charges**
- 805.7 Application Fees**
- 805.9 Miscellaneous Fees**
- 805.10 Technology Fee**
- 805.11 Program Fees**
- 806.1 Payment or Reimbursement of Meals and other Travel or Institutional Expenses**
- 806.2 Staff and Faculty Recruitment Expenses**
- 806.3 Moving Expenses**
- 807 Oil Royalty Checks**
- 809.1 Reporting of Grants Received**
- 810 Deposit of Funds; Investments**
- 820 Tuition Waivers**
- 820.1 Foreign Student Waiver**
- 820.2 Graduate Student Scholarship/Waiver**
- 820.3 Graduate Assistant Tuition Waiver**
- 820.4 Employee Tuition Waiver**
- 820.5 Senior Citizen Audit Fee Waiver**
- 820.6 Statutory Tuition Waivers**
- 820.7 Board's Student Representative Waiver**
- 820.8 North Dakota University System Cultural Diversity Tuition Waiver**
- 830.1 Credit Policy**

902.1	Construction Process-Legislative Approval; List of Funding Requests
902.3	Requests for Construction, Renovation and Remodeling; Annual Reports
902.5	Construction Process – Architectural Plan Specifications
902.6	Architect and Engineer Contracts and Fees
902.9	Construction Process – Change orders; Changes in Project Size or Scope
902.10	Construction Process – Final Inspection
902.11	Fire and Tornado Coverage
902.13	Plaques
904	Fire Drills/Extinguishers
909	Real Property Leases
910	Transfer of Real Property
915	Contracting for Architect, Engineer, & Land Surveying Service
916	Campus Security

Board Member/Campus Reports

The Board members discussed forming a Budget and Finance Committee. **It was moved** by Mrs. Clayburgh, seconded by Dr. Isaacson to give the authority to the Board President to appoint a Budget and Finance Committee composed of Board members and the Board President. Following further discussion Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried. President Satrom appointed the current Audit Committee (Mr. Caspers and Dr. Isaacson) to the Budget and Finance Committee. She asked the Committee to report back to the Board in the next few meetings what the responsibilities of this committee should be.

President Satrom asked the Board members if they thought there was a need to appoint a committee to study the retention of campus presidents. Mr. Caspers indicated that the study should include all key employees in the NDUS. The Board discussed the retention of college presidents and other employees in the NDUS. There was no consensus of the Board to form a committee; but Chancellor Isaak indicated that he would ask staff to prepare a report on what is happening throughout the nation if the Board wishes. President Satrom asked Chancellor Isaak to report back to the Board at a future meeting.

Board members reported on the progress of the Roundtable Cornerstone Task Force that they are assigned to.

Public Comment

Mr. Bridewell appeared again before the Board with the following comments:

- ✓ He encouraged the Board to put proposed policy revisions on a web site and make sure it is current. (Ms. Glatt responded that this is being worked on at the present time and policy revisions will be on the web in the future.)
- ✓ He said that the liberal science core makes the UND aerospace program a success and challenged the Board to increase faculty salaries in liberal arts programs in ND.

- ✓ He said that thought needs to be given to removing restrictions to allow expansion of programs.

Announcements

The meeting adjourned at 11:15 a.m. CT. The Board of Higher Education will meet at Williston State College March 22, 2000, to appoint the next president of Williston State College. The next regular meeting of the State Board of Higher Education will be held March 23-24, 2000, at Williston State College.