

STATE BOARD OF HIGHER EDUCATION
Minutes—March 23-24, 2000
Williston, ND

Members of the State Board of Higher Education met for orientation in Room 216 in the Student Center on the campus of Williston State College March 23, 2000, at 8:00 a.m. CT. Board members received an update on the WSC Health & Wellness Center, institutional assessment program, information technology presentation, and Northwest Quadrant Workforce Training presentation. They also toured the Main Building, Heating Plant, Crighton Building (WFT, SBDC, Diesel), Workforce training lab, tech training lab, and WSC Foundation Building. Board members then met with students and faculty. Members present included Dr. Isaacson, Mr. Peltier, Mrs. Clayburgh, Mrs. Satrom, Mr. Caspers, Mr. Korsmo, Dr. Kunkel, Dr. Andreasen, and Mr. Bernstein.

The State Board of Higher Education met March 23-24, 2000, in Room 216 in the Student Center on the campus of Williston State College. The president called the meeting to order at 1:15 p.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. Erik Shaar, MiSU/MiSU-BC
Dr. Joe Chapman, NDSU	

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

Ms. Patty Hill, former Board member, attended a portion of the meeting.

President Satrom asked, in the interest of time, that agenda items 5 through 10 be deferred until the April 4, 2000, meeting at NDSCS. These items include academic requests, tenure report and requests, and adoption of SBHE Policy 409. **It was moved** by Mrs. Clayburgh, seconded by Mr. Korsmo to defer the above items until the April Board meeting. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

Minutes

It was moved by Dr. Kunkel, seconded by Mr. Caspers, and unanimously carried to approve the minutes of the February 17-18, 2000, meeting as distributed.

Board President's Report

President Satrom asked if any Board members would like a change in the commencement assignments. There being none, the assignments were accepted as printed.

President Satrom opened the floor for nominations for the WICHE commissioner. **It was moved** by Mr. Peltier, seconded by Mr. Korsmo that Dr. Kunkel represent the NDUS on the WICHE Commission effective July 1, 2000. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

President Satrom discussed the possibility of bringing in a presenter during the June meeting for a one-day workshop. The June meeting attendance will include the new Board member as well as the out-going Board member. Names of presenters that she suggested were Mr. Jim McCormick, Chancellor of Pennsylvania State College University System, and Mr. Rich Novak, president of AGB. Mr. Dennis Jones also recommended Mr. Ames McGinnis. President Satrom asked Board members to give this workshop some consideration and let her know if they have any interest in pursuing this.

Chancellor's Report

Chancellor Isaak reported that he has been working on the biennial budget, Roundtable Task Forces, and presidential searches. He attended the Midwest Higher Ed Futures Committee meeting. The discussion at this meeting focused on different approaches to MHEC.

Student Association Report

Mr. Bernstein reported that the ND Student Association will be meeting in Dickinson March 24-25, 2000. At this meeting, the NDSA will select three names to be forwarded to the Governor for the Student Member on the Board of Higher Education for 2000-2001. He extended an open invitation to attend the meeting.

Council of College Faculties Report

Dr. Andreasen reported that the CCF has met twice since the last Board meeting. Topics of discussion were the proposed changes to the SBHE Policies, admission requirements, and remediation.

She reported that the State of the Faculty Conference will be held in Minot, September 15-16, 2000. Dr. Andreasen encouraged Board members to attend. Portions of the Conference may be available over IVN. The CCF approved a motion to include the date of the State of the Faculty Conference in the academic calendar. Having this day included in the calendar would allow all faculty to attend. The Conference will be held the third Friday and Saturday in September every year. This motion has been forwarded to the Chancellor's Cabinet for their consideration.

Dr. Andreasen distributed a resolution from the CCF requesting that the Board work towards a goal of 100% of regional salary parity for faculty, based on comparable institutions.

Special Orders

Employee Compensation Report

Dr. Robert Kibler, VCSU, presented the report from the Board's Committee on Employee Compensation. The report indicates the following Committee recommendations:

- Provide to each campus funding for salary increases averaging 3% for each year of the 2001-2003 biennium to address inflation and merit.
- Provide adequate funding to move all positions to a minimum of 80% of regional average. The funds to be placed in a SBHE pool for distribution to campuses based upon market disparity and/or performance.
- Maintain the State's contribution for employee health insurance premiums at 100% of actual premium and current employee co-payments and deductibles.

Dr. Kibler said, "...low pay for faculty and staff results in a weaker NDUS." He said that the NDUS contributes \$1.5 billion annually to the economy of ND. Average public four-year faculty salaries in North Dakota now ranks 50th in the nation; but, he indicated, the benefits package is adequate. A majority of faculty in ND spend more than 50 hours per week in their work. Low pay and long work hours makes it difficult to recruit and retain high quality personnel. Dr. Kibler said the NDUS has not been keeping up with the market rate which results in salary compression—the longer faculty stay in the System, the less they are compensated for it. He also indicated that 40% of NDUS faculty are age 50 or above and nearing retirement. He said it will be hard to recruit and retain younger faculty members to replace retiring faculty within the NDUS with an insufficient incentive package. Dr. Kibler, responding to a question on faculty salaries from Vice President Isaacson, stated that the starting faculty salary in ND is not bad, but after time faculty receive less compensation because salaries are not keeping up with market adjustments and inflation. Mr. Korsmo questioned what the national turnover rate was for faculty. President Satrom asked Dr. Andreasen to research this and report to the Board at a

later date on the national turnover rate, if the information is readily available. Ms. Glatt reported other reasons faculty leave ND are the lack of opportunities for advancement (within the System) and changes in careers.

Disabled Student Services Report

Mr. Mike Lenhardt, Chair of Student Affairs Council; Ms. Stephanie Turcotte, WSC; and Ms. Deb Glennen, UND, presented the Services to Students with Disabilities Report. Mr. Lenhardt said that for a number of years, the State has not contributed the funds needed to provide services to students with physical and learning disabilities. The number of disabled students requiring services in the NDUS has increased dramatically. Students receiving JTPA and Workers Compensation benefits are other groups that expect training. JTPA and Workers Compensation fund tuition and books but do not fund the services needed for the disabilities. He indicated that the cost of providing these services is very high; not only in the technology, equipment, and delivery that is needed, but also for the cost of training the staff to work with these disabled students.

Mr. Lenhardt said the Vocational Rehabilitation Agency no longer provides funding for Voc Rehab clients since the ADA was implemented. He said that Mr. Seaworth is working with Voc Rehab on this issue.

Unanticipated need is also a problem, Mr. Lenhardt reported. Campuses cannot, by law, ask students about disabilities before they are admitted. The students must document their disability and submit this to the campus who in turn must then provide the service needed. It is difficult to plan for these unknown levels of services.

Mr. Lenhardt said that \$26,000 was budgeted for in a contingency fund for the 1999-2001 biennium for the NDUS. One or two requests can easily total \$80,000-85,000 when one considers the costs of interpreters and specialized equipment. The remainder of the funds must be taken out of other budgeted areas on the campuses.

Mr. Lenhardt asked for an affirmation of support from the Board for disabled student services. The recommendations from the report include that the Board:

- request additional funds for disabled student services at each campus;
- request a substantial increase in the disabled student services contingency fund (from the 1999-2001 allocation of about \$26,000 to \$200,000); and
- ask the Department of Vocational Rehabilitation to assume greater responsibility for costs of accommodations for VR clients at NDUS institutions.

In response to a question from Vice President Isaacson regarding the cost for disabled student services per campus, Mr. Lenhardt responded that he did not have those figures at this time, but will get those numbers to the Board as soon as possible. Several Board members indicated that funds for disabled student services is a very important issue. The Board Budget and Finance Committee will consider these requests when preparing the biennial budget recommendation for final Board approval in April.

2001-2003 Biennial Budget Guidelines

Ms. Satrom reported that the Budget and Finance Committee met March 15, 2000, to review the biennial budget guidelines and will meet again, via conference call, March 29 to finalize their recommendation for Board approval on April 4, 2000.

Ms. Glatt indicated that the Governor has requested a hold-even budget, which means no increase in the general fund appropriation. His budget guidelines also allow agencies to prepare optional budget packages, above and beyond the hold-even budget, for new general fund spending requests. This will allow the Board to prepare and submit a needs-based budget as required by the Constitution.

Ms. Glatt reviewed a draft hold-even budget. She said that a hold-even budget does not allow additional general fund dollars to cover the cost of inflation or the funds needed to sustain the 2000-2001 salary increase. The estimated cost to continue is approximately \$9.7 million which will need to be reallocated from elsewhere within the current budget or generated in new revenue to cover the cost to continue. The tuition increase effective fall 2000 will raise \$3.6 million in additional income next biennium since this will be collected for two full years. This revenue can be applied to the \$9.7 million cost increases, which leaves approximately \$6.0 million in general fund reductions or enhanced sources of revenue that are needed to sustain current operations. The Board studied the draft budget in depth. Chancellor Isaak said that the Cabinet has discussed the \$6.0 million balance and their recommendation was that they prefer to make reductions at the campus level.

Ms. Glatt then reviewed a proposed needs based budget with funding options. Ms. McDonald reviewed three optional packages at different funding levels for a needs based budget. Budgets related to agricultural entities will be reviewed at the next Board meeting on April 4. Following additional discussion on the different budgets and optional funding packages, President Satrom said that the Budget and Finance Committee will take the discussed suggestions and comments into consideration on March 29 when the Committee prepares a final recommendation for the Board to approve on April 4.

Campus Master Plans and Major Capital Project Requests

Ms. Glatt reviewed deferred maintenance in the NDUS. Funds needed for maintenance in NDUS State buildings is \$122,159,969 and local buildings is \$53,040,201 for a total of \$175,200,170.

Campus representatives informed the Board of their master plans, priorities for 2001-2003, and major needs. The following lists projects in priority order per campus.

Campus	Project Type	Project Description	State Funds	Other Funds	Total Cost
BSC	Renovation	Schafer Hall 2 nd & 3 rd floors	\$1,394,500		\$1,394,500
	New Construction	Advanced Learning Complex	1,500,000	4,000,000	5,500,000

LRSC	Renovation	Science Lecture Bowl & Laboratories	784,472		784,472
	Addition	Technical Training Facility & Storage	264,090		264,090
WSC	Addition	Diesel Technology Addition	524,616		524,616
	Renovation	Deferred Maintenance	308,600		308,600
UND	Renovation	O'Kelly Hall	8,750,000		8,750,000
	Renovation	School of Medicine & Health Sciences	6,450,000		6,450,000
	Renovation	Infrastructure Improvements	4,500,000		4,500,000
NDSU	New construction	College of Business Office & Classroom Bldg		10,000,000	10,000,000
	Renovation	Minard Hall Renovation	9,675,000		9,675,000
	Renovation	Ceres Hall Renovation – Phase II	3,000,000		3,000,000
NDSCS	Renovation	Infrastructure	2,385,863		2,385,863
	Renovation	Horton Hall	2,000,000		2,000,000
DSU	Addition/ renovation	Murphy Hall Renovation/Addition	6,000,000		6,000,000
	Renovation	Whitney Stadium Renovation	1,100,000	2,900,000	4,000,000
MaSU	Renovation	Steam Line Replacement	719,950		719,950
	Addition/ Renovation	Fieldhouse Addition	239,930	2,760,070	3,000,000
MiSU	Renovation	Old Main Renovation	5,100,000	2,000,000	7,100,000
VCSU	Renovation	Replace boiler & related steam piping accessories	850,000		850,000
	Renovation	Graichen Gymnasium elevator & emergency exits	375,000		375,000
MiSU-BC	Renovation	Thatcher & Central Htg. Plant Elec. Upgrade	75,000		75,000
	Renovation	Thatcher Elevator	160,000		160,000
Forest Service	New Construction	Tree Storage Bldg. – Towner Nursery	120,000		120,000
	New Construction	Equipment Storage Bldg. – Lisbon	20,000		20,000
Experiment Stations	New Construction	Langdon Headquarters and Conference Ctr.	300,000	500,000	800,000
	New Construction	Dickinson – Out Wintering Research Facilities		180,000	180,000

Ms. Peggy Lucke, UND, informed the Board of special assessments proposed for UND for the upgrading of the N 42nd Street Project. Ms. Lucke indicated that the estimated special assessments for UND are \$500,000 to \$750,000. UND is the largest single property owner in this assessment. Individual property owners are signing a protest of the assessment. Ms. Lucke has spoken with City officials about the benefit of this project vs. the cost of the assessment. She indicated that UND will be in contact with the System office for their input and advice as this Project moves forward. President Satrom requested that the Board be kept informed.

Joint Meeting with Council of College Faculties

Dr. Barb Laman, President of the Council of College Faculties (CCF), gave the Board an update/review of the consensus building exercise from the 1999 joint meeting with the Board of Higher Education and the CCF.

Dr. Laman stated some issues of general concern to the CCF:

- intellectual property rights—the Academic Affairs Council is working with the CCF on this issue.
- salary issue—CCF passed a resolution that the Board work towards 100% parity of regional salaries for faculty.

The CCF and Board members then broke into groups to discuss the Roundtable cornerstones. Campus Presidents and NDUS staff were invited to participate. A copy of the report from the joint meeting is attached to the original minutes.

Consent Agenda

Sr. Thomas Welder, President of the University of Mary, commented on the changes to the State Grant Program for 2000-2001 due to the shortfall in MN reciprocity funds. She expressed concern with the common budget between the public and private institutions that is being proposed for the 2000-2001 academic year. She indicated that she understood the reason for the suggested change due to the less than budgeted Minnesota reciprocity revenues that support this program. This change affects the number of State Grants the private colleges and universities will receive. Sr. Welder indicated that she would be supportive of this one-year change and went on to request that the Board seek additional state general funds to restore the State Grant Program to the full level of funding in 2001-2003. She said the expectation of the independent colleges and universities is that the cost of education budget differential be reinstated in this program in 2001-2003, even if funding is not fully restored.

It was moved by Mrs. Clayburgh, seconded by Mr. Peltier, to approve the following consent agenda items 1 through 12. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

1. Approved a request from **Mayville State University** to allocate \$164,150 from the 1997-1999 System Capital Contingency Fund that was carried over into the 1999-2001 biennium and restore the \$164,150 to the 1999-2001 Contingency and Capital Improvement Emergency Fund.
2. Accepted grants at **Minot State University**.
3. Approved a request from **Minot State University** to spend excess income up to \$400,000 in the salary and wages line item for annual salary increases as a result of tuition collections above estimates for 1999-2000.
4. Accepted grants and contracts at **North Dakota State University**.

5. Granted permission to **North Dakota State University** to seek Emergency Commission authorization to increase the line item in HB1021 for the Dickinson Research Center by \$519,000 (from \$2,314,316 to \$2,833,316). Permission was also granted to proceed with the repair to the beef and swine facilities (\$120,000) and the out wintering research facilities (\$180,000).
 - A. Repairs due to a storm. Estimated cost is \$239,000. Source of funds is \$133,000 in oil revenue from mineral rights on land located at the Research Center and \$106,000 from cattle sales.
 1. Repair to beef and swine facilities \$120,000
 2. Replace lost feed crops 35,000
 3. Repair elevator 20,000
 4. Repair feed grain handling & storage 55,000
 5. Miscellaneous damage repairs 9,000
 - B. In addition, three projects were included in the 2000 Master Plan document for the Dickinson Research Center. If this increase in authorization is granted, the work could begin this summer. As a result, the projects would not be included in the 2001-2003 budget request.
 1. Out Wintering Research Facilities at Dickinson Research Center. Estimated cost is \$180,000. Source of funds is oil revenue from mineral rights on land located at the Research Center.
 2. Agronomy Work Lab Renovation at Dickinson Research Center. Estimated cost is \$50,000. Source of funds is oil revenue from mineral rights on land located at the Research Center.
 3. Chemical Storage Buildings at Dickinson Main Center and Manning Ranch Unit. Estimated cost is \$50,000. Source of funds is oil revenue from mineral rights on land located at the Research Center.
6. Granted permission to **North Dakota State University** to proceed with the installation of a new main steam and condensate return line from the Service Center south toward Centennial Boulevard. Estimated cost is \$150,000. Source of funding is the 1999-2001 capital improvement budget and is included as a line item in the 1999-2000 annual budget.
7. Approved an amendment to the lease between **North Dakota State University** and the USDA for Experiment Station land in Morton County.
8. Adopted a **North Dakota State University** "Resolution Approving the Financing by the North Dakota Building Authority" and approved the "Agreement and Request" for the Animal Research Center. Attached to original minutes.
9. Accepted grants and contracts at the **University of North Dakota**.
10. Ratified the action of the Vice Chancellor of Administrative Affairs' in awarding contracts to the following firms for projects at the **University of North Dakota**:

1. Barnes & Noble project

Terry T. Rogers	\$118,310.00
Gowan Construction, Inc.	\$367,507.00
Tim Shea Nursery	\$22,995.00
Central Door & Hardware, Inc.	\$15,750.00
Lumber Mart, Inc.	\$37,311.80
Grand Forks Glass & Paint Co.	\$22,215.00
Lunseth Plumbing & Heating Co.	\$110,300.00
D&D Heating & Sheet Metal, Inc.	\$94,700.00
Advanced Fire Protection	\$28,500.00
Bergstrom Electric, Inc.	\$255,200.00
Reliance Telephone Systems	\$26,600.00

Total cost is \$4.5 million with \$3.3-\$3.5 million from reserves and \$1-\$1.2 million from a loan from the Alumni Foundation.

2. Bio-medical Research Facility

Jarl Pederson & Sons, Inc.	\$43,235.00
Advance Fire Protection	\$23,900.00
Northstar Insulation, Inc.	\$77,205.00

Estimated cost of the building is \$6 million with \$1.8 million from federal funds, \$3 million from the State general fund, and \$1.2 million from private funds.

11. Authorized the **University of North Dakota** to proceed with Phase II of the Steam Line Distribution Replacement Project. Estimated cost is \$11 million. Source of funding is \$9.9 million from FEMA and State Match (10%) \$1.1 million. The 1999-2001 deficiency appropriation included matching funding for steam line expenditures to June 30, 1999. The estimated request for deficiency appropriation for the steam line will be approximately \$2.1 million for 2001-2003.
12. Ratified the action of the Vice Chancellor for Administrative Affairs' in awarding a contract to SSR Engineering for the Communication Cable Plant Infrastructure to the Bronson Property at the **University of North Dakota** based on the recommendation of the Agency Selection Committee. Estimated cost of the project is \$330,000 including A/E fees. Source of funds is from the Telecommunications Department Infrastructure Reserve.

Following Dr. Chapman's response to President Satrom's question on the criteria for awarding honorary degrees, **it was moved** by Mr. Korsmo, seconded by Mr. Caspers to approve **North Dakota State Universities** request for honorary doctoral degrees for David Bernauer and Douglas Burgum. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

Following additional discussion on the State Grant Program, **it was moved** by Mr. Korsmo, seconded by Dr. Kunkel that effective for academic year 2000-2001, the percentage distribution of State Grant dollars be awarded utilizing a fixed cost of education budget (\$9,100) for all institution types, i.e., public, private, and tribal on a one-year basis and that the State Grant

award amount remains at \$600. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

Policy Revisions

President Satrom requested additional information on agenda item 28 (policy revision) and requested this item be deferred until the April Board meeting. Also, in the interest of time, she recommended that agenda item 29 & 30 (policy revisions) be deferred until the April 4, 2000, Board meeting at NDSCS. There were no objections from the Board.

200 Bylaws

Election of Board Officers

It was moved by Mr. Korsmo, seconded by Dr. Kunkel to elect Mr. Caspers as the vice president of the Board of Higher Education for the period July 1, 2000, to June 30, 2001. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

It was moved by Mr. Peltier, seconded by Mrs. Clayburgh to elect Dr. Isaacson as the president of the Board of Higher Education for the period July 1, 2000, to June 30, 2001. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

2000-2002 Board Meeting Calendar

It was moved by Mrs. Clayburgh, seconded by Dr. Isaacson to approve the 2000-2002 Board meeting calendar. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

Board Member/Campus Reports

Dr. Etemad asked the Board if the meeting scheduled for LRSC on September 21-22, 2000, could be exchanged with another campus. Dr. Vickers agreed to host the September Board meeting and the November 16-17, 2000, Board meeting will be held at LRSC.

Public Comment

There was no public comment.

Announcements

President Satrom announced that the Budget and Finance Committee would meet via conference call on March 29, 2000.

Consent Agenda cont.

Following review of the additional material presented to the Board on the candidates for the UND honorary degrees, **it was moved** by Mr. Peltier, seconded by Mr. Korsmo to approve requests from the **University of North Dakota** for honorary degrees for Dwight Maylon Billy Baumann, Thomas J. Clifford, Bernard O'Kelly, and Peter Schickele. Mr. Peltier, Mrs. Clayburgh, Mr. Bernstein, Mr. Korsmo, Mr. Caspers, Dr. Kunkel, Dr. Isaacson, and Mrs. Satrom voted aye. The motion carried.

The meeting adjourned at 12:15 p.m. CT. The next regular meeting of the State Board of Higher Education will be held June 15-16, 2000, at North Dakota State University.