

STATE BOARD OF HIGHER EDUCATION  
Minutes – July 18-19, 2000  
Mandan, North Dakota

The State Board of Higher Education met July 18-19, 2000, at the Seven-Seas Inn in Mandan, ND, for their annual retreat. The president called the meeting to order at 12:50 p.m. Members present were:

Dr. Bill Isaacson, President	Mrs. Beverly Clayburgh
Mr. Craig Caspers, Vice President	Mrs. Jeanette Satrom
Mr. Chuck Stroup	Mr. Jason Bernhardt, Student Member
Mr. John Korsmo	Dr. Robert Kibler, Faculty Representative

Dr. Richard Kunkel was absent.

Presidents present were:

Dr. Chuck Kupchella, UND	Dr. Erik Shaar, MiSU/MiSU-BC
Dr. Ellen Chaffee, MaSU/VCSU	Dr. Joe McCann, WSC
Dr. Sharon Hart, NDSCS	Dr. Joe Chapman, NDSU
Dr. Sharon Etemad, LRSC	Dr. Lee Vickers, DSU

Dr. Lee Vickers, DSU, was absent.

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/Executive Director,  
College Technical Education Council  
H.P. Seaworth, General Counsel & Executive Secretary  
Sheila Tibke, Administrative Secretary

President Isaacson welcomed Mr. Chuck Stroup, new Board member; Mr. Jason Bernhardt, new student member; and Dr. Robert Kibler, new faculty representative.

President Isaacson informed the Board members that Mr. Dennis Jones, NCHEMS, has been retained as a consultant for the next 12 months to work with the Board on implementation of the Roundtable Report.

### Board Member Authority and Responsibilities

Mr. Seaworth reviewed with the Board members their authority and responsibilities and responded to questions from the Board members. President Isaacson indicated that he would like to continue with the full review of the policy manual, by section, as has been done in the previous year. This review should be consistent with the recommendations of the Roundtable Report that call for increased flexibility at the campus level.

The Board also discussed the current NDUS vision statement and the need for a new one. Many Board members indicated that the vision statement should be shorter, verb driven, clear and succinct, and refer to why students attend NDUS institutions. The Board will ask Mr. Dennis Jones for his help in creating a new vision statement.

### Open records and meetings laws

Mr. Seaworth reviewed the open records and open meetings laws and responded to questions. He said that individuals requesting records from Board members should be referred to the NDUS office.

Campus presidents and Mr. Dennis Jones joined the meeting at this time.

### Roundtable Report

President Isaacson mentioned that Mr. Jones had been invited to participate in the Board Retreat. Below is a summary of Mr. Jones' opening comments:

- North Dakota is in a unique position. He has worked with a lot of states and is not aware of any other state that is as far along as North Dakota in creating a shared agenda.
- The agenda is to improve the economy and the quality of life in North Dakota.
- 61 people unanimously approved the conclusion of the Report (legislators, Governor's office, private sector, NDUS). Actions and signs of support have been positive since the Report has been finalized.
- The plan is about the future of ND. The clear statement is to turn the trends/projections around—the last one out turn off the lights mentality was rejected.
- The Roundtable believed that solutions must be inclusive—all of ND—all people, all sectors of economy, all Higher Ed institutions (public, private, tribal). Closing institutions is off the table. The people have spoke, let us move on.
- The Roundtable believes that the intellectual power of NDUS is a primary asset ND has for turning around trends. Higher Ed cannot prosper if the State does not prosper and vice versa. Higher Ed and the State need to be joined at the hip.
- Part of the Board's job is to suggest solutions to the recommendations. The Board must build consensus around these proposals.
- The Board must determine which of the recommendations they are going to focus on over the next year and build capacity of System to deliver. The ball is in the Board's court—it is the Boards responsibility to manage accountability.
- The NDUS must figure out how to implement the recommendations. The Board must establish the "what" not the "how." Campuses must get about doing (implementing the recommendations).

- The Board's relationship with the institutions changes as well. Flexibility with accountability must extend to the campuses as well, from the Board down.
- Campuses must also be accountable to the System; demonstrate achievement of the stated goals.
- There are two levels of accountability—build up and build down.
- The ball is in the Boards court right now, more so than the legislative and executive branches.
- It is the Boards game to lose. If the Board wins, everyone will take credit. If the Board loses, the Board will take all of the blame.
- If the Board does not take some fairly substantial steps between now and the next legislative session, the legislature will take that as a signal of business as usual. They have given you an opening, however, if you do nothing, things will not change.
- Leadership is creating consensus, not finding it. You must create consensus around this agenda.
- Senator Nething made some powerful summary comments. This is fragile; each party must do their part and only their part.
- Page 63 of the Report includes the big items that the Board must focus on for completion in the short term:
  1. Accountability measures-propose and develop systems and ways to measure campus accountability to Board.
  2. Financing plan that looks at next five years. What is the amount needed to sustain the System from the state, student, and private sector.
  3. Resource allocation model—within System. Use benchmarking as guideline.
  4. Review/change policies to allow campuses flexibility with accountability
- Will be tough for Board to micromanage what each campus should look like. Create environment/mechanisms to allow campuses to be more responsive and accessible. The harder you try to manage centrally, the more the NDUS will look like Russia.
- What does success look like at your place? It will be different at each campus.
- NDUS has a small office staff. They only have so much time. It is important what they do with their time. Every meeting of the Board has a large chunk of staff commitment.

Mr. Jones reported that the Governor's office will be sending letters out in the next week or two to all the Chambers, GNDA, etc. urging them to support the Roundtable Report as a major legislative initiative. Mr. Jones said the Roundtable Report is a commitment to a new working relationship between the NDUS and the State of North Dakota.

There was extensive discussion on the Roundtable Report and recommendations. **It was moved** by Mr. Stroup, seconded by Mrs. Clayburgh to endorse the Roundtable Report, *A North Dakota University System for the 21<sup>st</sup> Century*, and proceed vigorously to implement the same. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried. A copy of the report is on file at the System office.

### Critical Issues

Through discussion facilitated by Mr. Korsmo, the Board compiled the following list of critical issues facing the NDUS.

1. Redefine vision statement

2. Recruitment & retention of students (short range goal)
3. Compensation—key employees (short range goal)
4. Policy review—continue the ongoing review
5. Accountability measures (long range goal)
6. Funding mechanism (long range goal)
7. Funding allocation mechanism (long range goal)
8. Empowerment/flexibility for campuses
9. Empowerment/flexibility for chancellor
10. Relationships (public relations)
11. Advocacy
12. Entrepreneurship
13. Intellectual property
14. Research & development
15. Technology in instruction
16. Access—distance delivery
17. Delivery mechanisms
18. Partnerships
19. System marketing—recruitment of students
20. Campus strategies—incentives

Mr. Bernhardt proposed the Board accept the findings and recommendations presented in the Roundtable Report as the critical issues facing the State and the NDUS in place of developing a separate list of critical issues for the Board to address.

Mr. Stroup proposed that the Board begin to work on SBHE recommendation # 2 in the Roundtable Report—flexibility for campuses and for the Chancellor.

#### SBHE Roundtable Report recommendations

The Board discussed SBHE **recommendation # 2**—“*Change policies and procedures to empower campus presidents; grant to the campuses the same conditions being sought for the NDUS—flexibility with accountability.*” The NDUS staff was assigned the task of reviewing current BHE policies to identify barriers to implementing the recommendations of the Roundtable. The NDUS staff and presidents were assigned to work on accountability measures and how progress will be measured. Reports on these issues will be presented to the Board for their review.

**Recommendation # 1**—“*Take the leadership in ensuring key steps required for implementation of the Roundtable are taken, specifically to develop and recommend (to the legislative and executive branches): 1) a long-term plan for the financing of the NDUS; 2) a resource allocation mechanism; and, 3) accountability mechanisms, both performance and fiscal.*” Chancellor Isaak indicated the Higher Ed Committee is meeting August 10, 2000, and has requested a status report of plans to develop a financing plan and resource allocation mechanism. Ms. Glatt informed the Board that research is currently being done on a resource allocation mechanism. She said the group conducting the research is close to the stage of developing draft criteria for selecting peer institutions. The NDUS staff was assigned to work on the above three recommendations from the Report and to bring action plans to the Board for their approval. President Isaacson said the

accountability reporting would be the first assignment on the Board workplan to be led by NDUS staff.

**Recommendation # 3**—“*Develop a University System which has intellectual capacity and programs aligned with the needs of the State.*” Chancellor Isaak said he and President Isaacson met with Mr. Kevin Cramer, ED&F, to discuss research being conducted at the NDUS research institutions. The outcome of that meeting was a suggestion to arrange a meeting of researchers from the NDUS to discuss what the research campuses are doing and how their efforts can focus on building ND’s economy and improve connections with the private sector in transferring technology to the private sector. Some Board members expressed a need for more information on the research and development that is currently being conducted on NDUS campuses.

President Isaacson said a two-day research and development summit should be held, possibly in November, to highlight major research and development activities being conducted in the state, review processes to stimulate and increase the research and development currently being done, and create an entrepreneurial spirit.

**Recommendation # 4**—“*Develop a delivery system capable of making the capacities of the NDUS accessible to all of North Dakota.*”

- *Learning Centers*
- *Distance delivery*
- *Collaborative delivery*
- *Duplicated programs where appropriate*”

Dr. Hillman informed the Board there is work in progress to develop a statewide associate of arts (AA) degree. This degree would enable students to take courses from more than one NDUS institution. Courses would be offered over the Internet and students would receive one bill and one transcript.

Dr. Hillman proposed the Board allocate \$175,000 from the 1999-2001 Board Initiative Pool to the distance ed initiative. \$100,000 for one-year position costs consisting of salary, fringe benefits, travel, office supplies, and equipment and \$75,000 for course development, faculty release time, faculty training, and system server & license. The primary goal of this proposal is to activate the AA degree by fall 2001. This position will provide leadership in online education as well as support cooperation among campuses as they jointly develop an online associate degree and work towards two online bachelor’s degrees (Business Management and Information Systems Management) that the campuses have been asked to design. This person will also support various student services groups to develop procedures to provide services for students who are not on a traditional campus and work with HECN to implement a data system that will support a single registration, billing statement, and transcript process even though students may be taking courses from several campuses. **It was moved** by Mrs. Clayburgh, seconded by Mrs. Satrom to approve the allocation of \$175,000 from the 1999-2001 Board Initiative Pool to proceed with the distance ed project proposal. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

**Recommendation # 5**—“*Cooperate with other participants in collectively moving the agenda forward.*” President Isaacson proposed forming a Public Affairs Committee to consist of Mr. Caspers (chair), Mrs. Clayburgh, Dr. Kunkel, Mr. Bernhardt, Dr. Kibler, Chancellor Isaak (ex-officio), and others as requested by the committee chair. The committee would be charged with developing a plan for Board approval to implement the recommendations of the Roundtable on sustaining the vision and developing a plan for communicating the success/achievements of the NDUS. Mr. Caspers accepted this charge. (Note: there was further discussion and action on this item later in the meeting.)

President Isaacson asked the NDUS staff and the Chancellor’s Cabinet for their help and support to successfully implement the Roundtable recommendations.

#### SBHE Objectives for 2000-2001

The Board discussed the following major objectives for the upcoming year:

1. Propose and gain consensus with the legislative and executive branches on University System level fiscal and performance accountability mechanisms which will allow the North Dakota University System to implement the full recommendations of the Roundtable; and to develop financial and performance accountability measures and mechanisms for campus reporting to the Board of Higher Education.
2. Review and change policies and procedures that are barriers to empowering campus Presidents providing them with flexibility and accountability allowing them to implement the full recommendations of the Roundtable report.
3. Develop and recommend to the executive and legislative branches a proposed long-term financing plan for the North Dakota University System.
4. Develop and recommend to the executive and legislative branches a proposed resource allocation mechanism.
5. Develop a University System which has intellectual capacity and programs aligned with the needs of the State. Convene, with ED&F, a 2-day Research and Development summit by the end of 2000 which (1) showcases the research being done in the North Dakota University System, (2) reinforces the value of research and development to economic growth, and (3) encourages entrepreneurial behavior and the use of the principles of entrepreneurship to create new businesses in the State.
6. Develop a report on the current status of North Dakota University System distance education capabilities and develop a plan for increasing access to educational opportunities throughout the State through distance education, collaboration, and relationships with the private and tribal colleges, to better serve students and others.
7. Develop a plan to: implement the recommendations of the Higher Education Roundtable on sustaining the vision; reconvene the Roundtable on an annual basis to gain new input from stakeholders and to report on progress; and communicate successes and achievements.

8. Work towards attainment of the 2001-2003 needs based budget and legislative agenda for the North Dakota University System.
9. Conduct a self-assessment of Board performance on meeting the objectives stated above before July 20, 2001.

**It was moved** by Mr. Korsmo, seconded by Mrs. Clayburgh to adopt the above list as the Board's objectives and program of work for the next year. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried. The Chancellor's Cabinet, at their retreat July 31-August 1, 2000, will develop workplans with timelines for these objectives.

#### Board Committees

President Isaacson said the members of the Budget & Finance Committee for 2000-2001 are: President Isaacson (chair), Vice President Caspers, Mrs. Satrom, and Mr. Stroup. Others on the Committee include Chancellor Isaak (ex-officio), Ms. Glatt, and others selected by the Committee chair.

In addition to the Public Affairs Committee assigned previously in the meeting, President Isaacson also proposed forming 1) a Strategic and Long-Range Planning Committee—Mr. Korsmo (chair), Mr. Stroup, President Isaacson, Chancellor Isaak (ex-officio), Mr. Dunn, Mr. Bernhardt, Ms. Heather Lee (NDSA president), and others selected by the Committee chair; 2) an Enrollment and Retention Task Force—Mrs. Clayburgh (chair), Dr. Kibler, Mrs. Satrom, Mr. Bernhardt, Chancellor Isaak (ex-officio), and others selected by the Committee chair; and, 3) an Executive Salary & Performance Task Force—Dr. Kunkel (chair), Mr. Korsmo, Mr. Stroup, and others selected by the Committee chair.

Following discussion on the need for the proposed Board Committees, it was the consensus of the Board to assign portfolios to Board members rather than form any new committees, with the exception of the Budget and Finance Committee. The above mentioned chairs will be the portfolio holder. Board members will be responsible for staying informed on the topic assigned to them. President Isaacson asked that a report from each portfolio holder be given at Board meetings, provided an update is needed.

#### Chancellor and System Expectations

Chancellor Isaak said the work of the Board is the work of the NDUS office. In addition to the day-to-day operations and policy issues he is responsible for, he will also work on the above-mentioned Board objectives for 2000-2001. Chancellor Isaak will also work with the Chancellor's Cabinet on ensuring implementation of the six Roundtable recommendations assigned to the campuses. Also, he will be working on legislative issues that will arise in the 2001 legislative session.

Mr. Korsmo reminded Board members that one of the outcomes of the Roundtable is that Board members, as well as the Chancellor, are to be accountable. President Isaacson said the status of the nine objectives will be reviewed at every Board meeting and the Chancellor will be evaluated

once a year per Board policy. At year-end, the Board will then review the progress toward their objectives.

#### Board Agenda Format

The Board members discussed the Board meeting agenda format. One of the items discussed was the half-day campus orientation sessions the Board currently receives before each Board meeting. Some Board members and some campus presidents expressed the importance of the meetings with faculty and students and being well informed of what is happening on the campuses. However, some Board members also expressed an interest in using that time as an opportunity for the full Board to meet to discuss major issues focused on the Board's objectives. President Isaacson, Vice President Caspers, and Chancellor Isaak will review the agendas for the next few meetings and focus the content of the meeting on the Board objectives. President Isaacson indicated in order to efficiently use the Board's time, campus reports and activities on the host campus will be allowed only if they relate to key issues from the Roundtable recommendations.

#### Institutional Assignments

President Isaacson asked the presidents what value they see in the Board members being assigned to make visits to their campuses. Some of the presidents said it was very important to have the Board visit their campus and other presidents thought the information the Board members receive at these visits could be distributed in alternative ways. Making these visits is sometimes a great time commitment; but the presidents indicated they enjoy having the Board members visit their campuses. The Board discussed options other than making institutional assignments to stay informed on campus issues. President Isaacson, Vice President Caspers, and Chancellor Isaak will consider these options and address this issue at the September Board meeting.

#### Campus Mission Statements

Campus presidents reviewed their campus mission statements with the Board members. President Isaacson said that the mission statements seem to be moving in the same direction as the recommendations in the Roundtable Report.

Dr. Hillman said changes might need to be made in the academic program review process and to Board Policy 409 Degrees Offered to comply with Roundtable Report recommendation # 4 (accessibility). One of the first priorities in the *1998-2004 Strategic Plan* is avoiding duplication while the Roundtable Report lists improving access and serving state needs as a high priority rather than avoiding duplication.

President Isaacson said the Board will discuss the Board's vision statement at the September Board meeting.

#### 2000-2001 Board Budget

President Isaacson asked the Board members to estimate what their expenses will be for 2000-2001 and bring those estimates to the September Board at which time the 2000-2001 Board budget will be prepared.

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**It was moved** by Mrs. Satrom, seconded by Mrs. Clayburgh, and unanimously carried to adjourn. The meeting adjourned at 2:55 p.m. The next regular meeting of the State Board of Higher Education will be September 21-22, 2000, at Dickinson State University.