

STATE BOARD OF HIGHER EDUCATION

Minutes—September 21-22, 2000

Dickinson, ND

The State Board of Higher Education met September 21-22, 2000, in the Student Center Ballroom on the campus of Dickinson State University. The president called the meeting to order at 8:00 a.m. MT. Members present were:

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

Presidents and Executive Deans present were:

Dr. Donna Thigpen, BSC	Dr. Sharon Hart, NDSCS
Dr. Charles Kupchella, UND	Dr. Ellen Chaffee, MaSU/VCSU
Dr. Joe McCann, WSC	Dr. Joe Chapman, NDSU
Dr. Lee Vickers, DSU	Dr. Erik Shaar, MiSU/MiSU-BC
Ms. Laurel Goulding, LRSC, participated in place of Dr. Sharon Etemad	

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
Gina Padilla, Secretary
Sheila Tibke, Administrative Secretary

Representative Frank Wald attended portions of the meeting.

Minutes

It was moved by Mrs. Satrom, seconded by Mrs. Clayburgh, and unanimously carried to approve the minutes of the June 15-16, 2000, June 28, 2000, July 18-19, 2000, and July 27, 2000, meetings as distributed.

Board President's Report

President Isaacson said the Roundtable meetings on campus with faculty, staff, and legislators have been going extremely well and all Board and Cabinet members and NDUS staff need to be ambassadors for following through with the recommendations in the Roundtable Report.

President Isaacson said that the new Board meeting agenda format focuses on the Board's objectives and key issues that need to be addressed.

Chancellor Isaak's objectives for 2000-2001 were discussed and these objectives will be used in his performance assessment next year.

Chancellor's Report

Chancellor Isaak introduced Ms. Gina Padilla, secretary in the System office. Ms. Padilla will serve as a backup for Ms. Tibke for arranging and recording Board and Cabinet meetings.

Chancellor Isaak informed the Board that the Chancellor's Cabinet:

- Discussed and agreed upon the selection criteria for peer institutions for a resource allocation model. The Board will be asked to act on the criteria for selecting peer comparators at the October 16, 2000, conference call.
- Established priority projects for the administrative systems development work in the next year within the NDUS.
- Discussed and agreed upon criteria for developing campus plans to respond to the six Roundtable summary recommendations for the campuses.
- Discussed presidential goals and objectives. Drs. Kupchella and Vickers will develop a common reporting format for the presidents to use.
- The Cabinet and President Isaacson met with Governor Schafer and Mr. John Hoeven and will meet with Ms. Heidi Heitkamp on September 28 to discuss higher education issues.

Chancellor Isaak said the GNDA Annual Business Conference is being held October 10-11, 2000, in Fargo. He encouraged Board members to attend. Chancellor Isaak will serve on a panel to discuss the Roundtable Report at this Conference.

The Interactive Video Network (IVN) is celebrating their 10-year anniversary and will be holding different events in the upcoming months.

Chancellor Isaak visited with ND congressional delegation and the AGB office in Washington, DC, recently.

Campuses are hosting Roundtable forums and participation has been very good. Legislative briefings are also taking place and have been well attended. The Legislature is currently conducting campus budget tours.

NDUS staff has been working on the rollout of the statewide network. A statewide support plan for the statewide network has been developed over the past several months and involves IVN, ODIN, HECN, and the NDUS Office. OMB has instructed all partner agencies to include the costs of these initiatives in their 2001-2003 budget request. The Board will be asked to consider this proposal later in the meeting. Chancellor Isaak said that Mr. Curt Wolfe and other ITD staff would be submitting a RFP for a statewide administrative system. ITD will also approach the Governor and legislature for funding for this system, which would benefit all state agencies, K-12, higher education, and possibly ND counties.

Distance Education delivery program requests that Chancellor Isaak has recently approved:

- Practical Nursing from NDSCS to Hettinger with cooperation from DSU
- Continuation of the Educational Leadership program from UND to Fargo, Minot, Bismarck, and Williston
- Continuation of the MBA from UND to Bismarck and Dickinson
- Public Health Administration from UND to Bismarck
- Masters of Rural Health Nursing from UND has been put on inactive status

Student Association Report

Ms. Heather Lee, NDSA President, reported that the NDSA would hold their first meeting of the 2000-2001 academic year at 7 p.m. September 29, 2000, at NDSU. Their agenda for this meeting includes electing a lobbyist, forming a strategic planning committee, and discussing the outcomes of the Roundtable. A strategic plan will be submitted at the October NDSA meeting.

Council of College Faculties Report

Dr. Kibler reported that the CCF State of the Faculties Annual Conference was held in Minot September 15-16, 2000. Their main topic of discussion was intellectual property in an age of increasing technology. He briefed the Board on the Conference and noted the following conclusions:

- distance education and classroom instruction need to be viewed alike
- agreement that a solid education is offered in ND
- the State needs to stop worrying about out-migration and start worrying about in-migration
- Common Course Numbering is successful
- Workforce Training Development is good for the state and needs to be promoted
- voted 8 to 5 to make a statement in regards to the Roundtable Report

The importance of Liberal Arts was discussed. President Isaacson said that Liberal Arts should be reflected in the accountability measures and campuses should discuss the Arts when drafting their strategic plans.

President Isaacson suggested that the next Board and CCF joint meeting could possibly be ½ day with joint agendas on a common subject.

Board Objectives

Throughout the two-day meeting, Board members and NDUS staff reviewed and discussed the draft action plans and proposed timelines for the nine Board objectives. The Higher Education Interim Committee will meet October 3, 2000, at which time the Roundtable Report may receive final approval. Once approved, the Report will then be presented to the full Legislative Council in mid-November for their approval.

Board Objective # 7—Sustaining the Vision

Vice President Caspers requested that Chancellor Isaak survey key stakeholders about available dates in 2001 that would be convenient for them to attend the annual Roundtable meeting. He suggested holding the meeting in June or July 2001 in conjunction with the Board Retreat. President Isaacson indicated that the Board should be reviewing the campuses strategic plans before May 2001 and said he hopes the Board's plan, which combines the Roundtable Report and the Board's Six-year Plan, is completed by this time also. Chancellor Isaak shared the Cabinet members concern about the progress report on implementing the Six-year Plan that campuses, by law, are required to submit to the NDUS office annually. He asked for advice from the Board if the campuses should submit an update on the Six-year Plan or focus their efforts on plans for the Roundtable recommendations. **It was moved** by Mr. Stroup to focus campus reports on the Roundtable in lieu of the Six-year Plan. Following discussion about the Six-year Plan annual progress report required in law, Mr. Stroup added to his motion that the campus reports contain a preamble to include a statement that the Six-year Plan and Roundtable Report have been merged into one document. He said this statement would show how closely the documents are aligned and that the reports are focused on the Roundtable. Mrs. Clayburgh seconded this motion. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

Board Vision and Mission Statement

President Isaacson indicated that there are currently numerous vision and mission statements for the State Board of Higher Education and the System and that there should be only one of each. He asked Board members to review the vision and mission statements contained in the Six-year Plan; the preliminary mission statement from the July 1999 Board Retreat; the goal stated in the Roundtable Report; and BHE Policies 100.1, 100.2, 100.3, and 200. President Isaacson requested that Board members, presidents, and other interested individuals send their suggestions for new vision and mission statements via e-mail to Board members (with the System office acting as the facilitator). President Isaacson asked that draft versions of the suggested vision and mission statements be ready for review at the November Board meeting.

Board Objective # 1—Financial and Performance Accountability Measurements

Ms. Glatt informed the Board that a workgroup consisting of Ms. Sharon Berning, UND; Mr. Gary Wawars, NDSU; Mr. Mick Pytlik, NDSU; Mr. Bob Gallager, UND; Ms. Sheila Peterson, Office of Management and Budget; and Ms. Cathy McDonald and Ms. Glatt, NDUS has been formed to work on the financial accountability measures. This workgroup will have their first meeting Monday, September 25, 2000. Legislative Council declined an offer to have representation in this workgroup stating that they do not get involved in executive branch committees. Ms. Glatt said that the workgroup will periodically brief Legislative Council staff and will seek clarification from them if needed. She said the first annual report is expected to be distributed before December 31, 2001. Although this will contain fiscal year-end data, it will not be released until six months later so that audited information can be included in the annual report.

Mr. Dunn briefed the Board on the action plan for the performance accountability measures and mechanisms. He said with the new format, the campuses are accountable to the Board and the Board is accountable to the legislature. Mr. Dunn indicated that the Data Warehouse Committee would be the core group to work with the measures and mechanisms at the campus level. Ideally, the accountability measures at the System level and at the campus level would be similar to avoid having a different or additional set of measures.

President Isaacson requested that Ms. Glatt and Mr. Dunn give the Board an oral report on their progress on the accountability measures action plans at a future Board meeting.

Board Objective # 2—Removing Barriers

Mr. Seaworth said the working group for this objective has not yet been formed. Faculty and staff will also be asked to submit suggestions and recommendations from their system-wide councils. Current Board policies and procedures will be reviewed to identify those that contain barriers that should be removed in order to allow more flexibility. The Chancellor's Cabinet will review the policy revisions, which will then be forwarded to the Board for its consideration.

Policy 803.1 Purchasing Procedures

Ms. Glatt said the proposed changes to SBHE Policy 803.1 Purchasing Procedures were prompted by the recent contract for service performance audit conducted on NDUS campuses by the Auditor's Office. Proposed changes include: 1) if the cost of personal property, equipment, or supplies is less than \$10,000, formal bids are not required; 2) campuses may use an informal negotiation process for consulting and other contract services less than \$100,000 and contracts in excess of \$100,000 must follow a formal RFP process; 3) campuses may have service contracts that extend beyond one year, but these contracts should include a provision for review of contract performance at specified intervals, not less frequently than once every two years; 4) service contracts may not exceed a term of ten years. For unique or sole source purchases, written approval and documentation is required for the purchase of an item or service; and, 5) the purchasing office shall document in writing the process in all cases in which the lowest bid is not

accepted. **It was moved** by Mr. Stroup, seconded by Mrs. Clayburgh to approve on introduction and first reading **SBHE Policy 803.1 Purchasing Procedures**. Following clarification, Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried. Exhibit A.

Policy 804 Leasing Policy

Ms. Glatt reviewed the proposed changes to SBHE Policy 804 Leasing Policy. The proposed changes in this policy are based on a conversation with the SAO during the Board Budget and Finance Committee meeting. It was brought to their attention that it may be more beneficial to purchase rather than lease at times; however, if the campuses do not have the cash to purchase the item they must lease the asset. The SAO agreed that in these instances it did not make sense to complete the lease/purchase form, but rather that the campuses should adequately document the funding limitations. **It was moved** by Mrs. Satrom, seconded by Dr. Kunkel to approve on introduction and first reading **SBHE Policy 804 Leasing Policy**. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried. Exhibit B.

Policy 404.1 Distance Learning Credit Activities

Dr. Hillman said the proposed changes are required to reflect changes in technology and removes outdated language in reference to “A” agenda items. **It was moved** by Mr. Korsmo, seconded by Mrs. Satrom to approve on introduction and first reading **SBHE Policy 404.1 Distance Learning Credit Activities**. Following discussion, Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried. Exhibit C.

Board Objective # 3—Long-term Financing Plan

Ms. Glatt said that between now and December 31, 2000, comparative data for ND and other states will be collected. This would include comparative data on state funding, the ability of the state to tax, the ability of the citizens to pay the tax, information on student costs and what students are paying, information on the campuses ability to generate income, and private sector contributions to higher education. Mr. Korsmo said this would be a very important issue for the legislature and the legislature will provide direction for the NDUS to pursue. President Isaacson said the costs and income need to be projected so that Board and legislators know what the future holds. He said it is significant this legislative session to get faculty salaries closer to their peer institutions.

Board Objective # 4—Resource Allocation Mechanism

Ms. Glatt said a financing plan cannot be completed until the funding relationship between NDUS campuses and their peer institutions have been identified. This will identify the amount that needs to be generated in the financing plan. Ms. Glatt said that the Cabinet has endorsed the list of peer selection criteria. She will forward this criterion to the Board for their review and approval at the October 16, 2000, Board conference call. Mr. Dennis Jones, NCHEMS, will be

helping with this project and NCHEMS will formulate the initial list of peer comparators. The funding subcommittee will continue to develop the resource allocation model simultaneous to the process of identifying peer comparators.

Board Objective # 5—Align With Needs of the State And Research Summit

President Isaacson said one of the key issues is the Research and Development Summit with ED&F.

Update on Research Summit

Dr. Kupchella reported that he met via conference call with representatives from ED&F, President Isaacson, Chancellor Isaak, and Dr. Chapman to discuss strategy for the Research Summit. He said that ND residents are not aware of the research that is taking place on NDUS campuses. The “Showcase” would show what is currently happening in ND in research and development, economic development, patents, and where the best practices are for research and development and in economic development and what can be learned from those practices. There was discussion about the development of a booklet containing information on research activities in ND. Dr. Kupchella said that Dr. Jerry Groenewold, UND Energy and Environmental Research Center, is preparing a draft agenda for a two-day summit, which may be held in November or December 2000.

Board Objective # 5

President Isaacson asked the Academic Affairs Council (AAC) and UND to work together on “Developing a time schedule for offering educational courses on the topic of entrepreneurship at every institution within the University System.” He said he believes there should be one good program in the State that can be delivered across the State to all NDUS, private, and tribal institutions. Dr. Hillman reported that the AAC agrees that a System-wide initiative in entrepreneurship is needed and accepts the charge to actively pursue this issue. The AAC will discuss this at their October meeting.

Academic Requests

Dr. Hillman reviewed the following academic requests. The AAC and Chancellor’s Cabinet have reviewed and support these requests.

1. Lake Region State College:

Approval to offer:

- ♦ Minor in Interpreter Certificate Training Program. This will be the only interpreter training program in ND.

2. North Dakota State University

Termination of:

- ♦ Major in Agriculture Extension in the College of Agriculture. Prompted by very low enrollment and lack of academic leadership.

3. University of North Dakota

Termination of:

- ♦ Minor in Pharmacology and Toxicology. There are currently no students registered for this minor.
- ♦ Minor in Industrial Technology. This program will no longer be necessary with the approval of the minors in technology education, energy and electronics, graphic communications, and manufacturing.

Approval of:

- ♦ Minor in Social Welfare. This minor would permit students to take a few extra courses to earn a minor in social welfare.
- ♦ Minor in Technology Education, Minor in Energy and Electronics, Minor in Graphic Communications, and Minor in Manufacturing. These four minors had been reduced into one program through restructuring and reorganization in 1998. It has been difficult for the student to declare a specialty minor with these four programs rolled into one. Reinstating the four minors will allow the specific field of study to be reflected on the student's transcript.
- ♦ Bachelor of General Studies. Permits students to package their own degree to suit their needs but which must also meet the general education and curricular development courses required for a degree.
- ♦ Bachelor of Science in Forensic Science. There are only two other programs similar to this and they are offered on the east coast. Many students have inquired about a degree in forensic science at UND.

It was moved by Mrs. Satrom, seconded by Mrs. Clayburgh to approve the above academic requests. Following discussion, Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

Board Objective # 6—Increasing Access to Education Opportunities Throughout the State

Dr. Hillman presented a map that indicates areas in North Dakota that are outside of a 45-mile radius of a NDUS, tribal, or private campus. He indicated that he has contacted NDSU Cooperative Extension and Ag Experiment about the possibility of their offices becoming delivery locations in the future. Partnerships with ODIN to have delivery locations in public libraries across the State and also with private and tribal colleges are other possibilities for providing access to ND residents. These delivery locations would provide a connection where prospective students can go for advice and information as to what is available to them through technology. Dr. Hillman responded to Mr. Stroup's concern on utilizing the current ITV sites in North Dakota. Dr. Hillman said that current ITV sites will be considered and sites that are compatible and available will be utilized.

Midwestern Higher Education Commission

Dr. Dave Murphy, Midwestern Higher Education Commission (MHEC) President, provided the Board with an update on MHEC initiatives over the last year, since ND joined the compact. MHEC currently has 13 initiatives underway. Dr. Murphy reported that there are currently over

2000 students enrolled in the Student Exchange Program. He said this program could help increase the enrollment base in NDUS institutions and strongly urged the NDUS to participate in this program. Students participating in the Student Exchange Program must meet the admission criteria at the enrolling institution and be accepted by that institution. The enrolling institution determines how many students it will enroll, in which programs, and at what degree level. Students are charged not more than 150% of the resident in-state tuition. Dr. Murphy said the annual fee to belong to MHEC would increase to \$82,000 (from \$75,000) next year. He indicated that additional information on MHEC can be found on their website at www.MHEC.org.

Enrollment Estimates

Dr. Richard Rathge, NDSU, updated the Board on projected enrollment estimates. He reported that all of the Great Plains states are experiencing declining populations due to lower birth rates and out-migration and face the same enrollment challenges that ND faces. He said that one of the major problems for ND and the other Great Plains states began in 1982 when the number of births declined and out-migration of 20-30 year olds increased. Those that out-migrated were in their childbearing ages and took their families with them. Based on these facts, Dr. Rathge estimates that by 2010, if NDUS institutions do not make any changes in recruiting and managing their campuses, there will be a decline of approximately 20 percent traditional age students (7,558 high school graduates). He recommended that NDUS institutions consider the following suggestions to avoid enrollment problems in the future.

- Labor shortage—form partnerships with businesses by offering training to their employees in which the business pays the students tuition. Since employers will also have a shortage of workers, this would be an incentive for the students to stay in ND.
- Technology—form partnerships with businesses to launch entrepreneurship.
- One of the major reasons employees switch jobs is because of a change in skill levels. Partner with business to offer cooperative training to their employees.
- Diversity of students—eliminate out-of-state tuition and barriers for out-of-state and international students.

Enrollment and Retention

Mrs. Clayburgh reported the results of the survey on enrollment and retention she sent to all the NDUS campuses on the directive of President Isaacson.

All of the campuses have room for additional students (facility wise).

Regarding charging tuition per credit hour, there were varied responses. NDSU stated that they were not interested. They had tried this model in the past and it was not successful for them. Dr. Thigpen informed the Board that this model has been very successful at BSC. Mrs. Clayburgh suggested if the per credit hour tuition model is implemented it should be phased in.

Mrs. Clayburgh also questioned the presidents about mentoring new students and faculty on their campuses. The campuses generally have a mentoring program for new faculty but not all campuses offered mentoring for students.

In regards to offering in-state tuition to all students regardless of residency, the response was generally favorable to fill seats in those programs that have low enrollment. She suggested that campuses offer a number of seats months in advance of the starting date. Students would be required to make a down payment to reserve the seat, which would be nonrefundable.

The Board discussed various ways to attract students to NDUS institutions which included: free tuition for good academic standing; offering a discount on tuition if program of study is in a needed workforce field or work in ND for a certain number of years; some governments pay tuition for their students to attend college in the United States; contract with out-of-state campuses for their overflow of students; and, offer high quality, creative, unique, and innovative programs.

Mrs. Clayburgh had also asked the campuses if the NDUS should have a marketing director. The consensus was yes, but each individual campus would still need their own marketing plan.

Mr. Stroup suggested asking Mr. Dennis Jones to forward information to the Board on what other states are doing with tuition rates and financial aid to address the enrollment and retention issue. President Isaacson said that the Board will discuss, at the November Board meeting, what innovative programs other states are using to address these issues and at the January Board meeting campus presidents would present plans addressing the enrollment and retention issue and what would work for them. He asked Mrs. Clayburgh to continue work on these issues.

Board Objective # 8—2001-2003 Needs-Based Budget

Chancellor Isaak reviewed the action plan for Board objective # 8. He reported that legislative budget hearings for the NDUS will begin on January 2, 2001.

Preplanning Grant Capital Construction Projects

Ms. Glatt reminded the Board that MiSU, NDSU, and DSU received preplanning grants through the Office of Management and Budget (OMB) to analyze their proposed capital construction projects more thoroughly and provide a more accurate estimate of the cost of the project. Campus representatives along with their architects and planners presented the project information to the Board. Copies of all three reports are on file in the System office.

Total projected cost for MiSU's Old Main renovation project is \$7,850,000, an increase of \$750,000 over the previous estimate. The new plan includes a larger addition than was originally planned to make room for needed mechanical and electrical equipment. The original estimate did not include estimates for hazardous material abatement or construction escalation dollars into the year 2002 (the projected completion date).

NDSU changed the projected scope of the Minard Hall Renovation project and as a result, requested less money from the Board for this project. Mr. Dick Rayl, NDSU, indicated that upon bringing the building up to code, there will be less room available and the building will no longer accommodate the current occupancy. NDSU is requesting funding for an addition this biennium so that current occupants can be relocated to the new addition and the original structure can be

renovated next biennium. This would give them the additional space that will be needed once the renovation on Minard Hall is completed. NDSU is reducing their original request of \$9,675,000 to \$4,845,100 for Phase I of the project in 2001-2003. Total estimated cost of the renovation and addition is \$13,952,700.

Mr. Al Binstock, DSU, informed the Board that DSU was notified on September 12, 2000, that Murphy Hall has potential hazardous levels of toxic fumes that could be a health risk. The ventilation system is outdated and not capable of handling the toxic fumes used in laboratory experiments and circulates the fumes throughout the building. Badlands Environmental conducted an air quality test which indicated that the sample taken in the laboratory contained 1.2 parts per million (ppm) of formaldehyde; OSHA's permissible exposure level is .75 ppm (for an eight hour period). Students at this time are not at risk since they are not in that room for an eight-hour period but faculty may be. DSU recognizes that there may be an additional risk associated with other toxic substances being used in the building. President Isaacson recommended that faculty members, on all campuses, who use known carcinogens on the campus look for a substitute if possible, check the levels of the toxin to see if they fall within OSHA's recommended levels, and inform the presidents' office of the chemicals they are using.

DSU is requesting an increase in the amount of their major capital construction project request from the earlier projection from \$6,000,000 to \$6,781,155 for the renovation and addition to Murphy Hall. This increase in dollars is due to asbestos that needs to be removed in Murphy Hall and additional square feet.

Following discussion on **Dickinson State University's** emergency situation, **it was moved** by Mr. Caspers, seconded by Dr. Kunkel to find according to NDCC Section 48-01.1-02 that an emergency requiring immediate repairs exists at DSU, that DSU officers are authorized to enter into such contracts as may be necessary to implement short term measures to address the emergency situation related to the toxic fumes in Murphy Hall without formal bids, and that the Chancellor is authorized to allocate not more than \$150,000 of the Board's contingency fund for these emergency repairs. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

Dr. Kupchella approached the Board with a request to reduce the dollar amount for the O'Kelly Hall renovation project from \$8,750,000 to \$3,500,000. UND's new proposal includes renovation of only part of the building (26,917 of the 110,000 gross square feet) and all of the air conditioning, plumbing, and electrical in 2001-2003. Additional phases of the project may be pursued in the future from state fund sources.

The Board deferred action on the major capital project list until Friday after they have toured Murphy Hall.

Community Meeting

Community and business leaders from the Dickinson area met with the Board and discussed higher education issues and their relationship with DSU. Community members in attendance were:

- Mr. George Ehlis, President, American State Bank
- Mr. Dennis Johnson, CEO, TMI Systems Design Corp.
- Mr. Guy Moos, CEO, Baker Boy
- Mr. Jack Olin, CEO, Dickinson Ready Mix
- Mr. Paul Steffes, President, Steffes Manufacturing
- Mr. Dan Wilhemson, General Manager, Consolidated Communications Corp.
- Mr. Cornelius Kooren, Regional Director, Cenex
- Mr. Ron Cascaes, President, Wells Fargo/Norwest Bank
- Mr. Joel Bleth, President, Pump Systems, Inc.
- Mr. Dean Koppelman, Superintendent, Dickinson Public Schools

The Board recessed at 6:30 p.m. MT and reconvened September 22, 2000, at 7:30 a.m. MT.

Breakfast Meeting

Board members met for breakfast in the lower level of the Student Center Conference Room with leaders from student government, staff senate, and faculty senate.

Major Capital Project Tour

Board members toured Murphy Hall.

Preplanning Grant Capital Construction Projects, continued

It was moved by Mr. Caspers, seconded by Mrs. Satrom to keep the priority ranking of the projects as approved by the Board in June 2000, accept the following revisions to the 2001-2003 campus major capital project list, and request that MiSU fund locally 28 percent of the estimated cost increase for the Old Main renovation project. The total of the State General Fund projects list would be reduced from \$39,699,401 to \$30,940,656.

- MiSU Old Main renovation increase total cost from \$7,100,000 to \$7,849,063; \$2,210,000 Local Funds and \$5,639,063 State Funds.
- NDSU Minard Hall Phase I renovation decrease in 2001-2003 cost from \$9,675,000 to \$4,845,100, all State Funds.
- UND O'Kelly Hall-Phase I decrease in cost from \$8,750,000 to \$3,500,000, all State Funds in 2001-2003.
- DSU Murphy Hall renovation/addition increase from \$6,000,000 to \$6,781,155, all State Funds.

It was moved by Mr. Korsmo, seconded by Mrs. Clayburgh to amend the motion proposing that the additional cost of MiSU's project of \$750,000 be divided 50/50 between State Funds and Local Funds. Following discussion, Mr. Korsmo, Mrs. Clayburgh, and Mr. Bernhardt voted aye on the amendment. Mr. Stroup, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted no on the amendment. The motion to amend the original motion failed.

Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye on the original motion. The motion carried. Following is the newly revised list of major capital projects.

	Priority #	Project Type	Project Description	Cost		
				State	Other	Total
STATE GENERAL FUND PROJECTS						
MiSU	1	renovation	Old Main Renovation	\$5,640,000	\$2,210,000	\$7,850,000
BSC	2	renovation	Schafer Hall - Renovation 2nd & 3rd Floors	1,394,500		1,394,500
NDCSCS	3	renovation	Infrastructure	2,385,863		2,385,863
VCSU	4	renovation	Replace boiler & related steam piping accessories	850,000		850,000
MaSU	5	renovation	Steam Line Replacement	719,950		719,950
NDSU	6	renovation	Minard Hall Renovation	4,845,100		4,845,100
UND	7	renovation	O'Kelly Hall	3,500,000		3,500,000
DSU	8	addition/renovate	Murphy Hall Renovation/Addition	6,781,155		6,781,155
WSC	9	addition	Diesel Technology Addition	524,616		524,616
NDSU	10	renovation	Ceres Hall Renovation - Phase II	3,000,000		3,000,000
MiSU-BC	11	renovation	Thatcher & Central Htg. Plant Elec. Upgrade	75,000		75,000
LRSC	12	renovation	Science Lecture Bowl & Laboratories	784,472		784,472
Forest Service	13	new constr.	Tree Storage Bldg.-Towner Nursery	120,000		120,000
Forest Service	14	new constr.	Equipment Storage Bldg.- Lisbon	20,000		20,000
Experiment	15	new constr.	Langdon Headquarters and Conference Ctr.	300,000	500,000	800,000

Board Objective # 9—Board Self-Assessment

President Isaacson briefly reviewed the action plan for Board objective # 9. He indicated that Mr. Dennis Jones would work with the Board on the self-assessment.

Special Orders

2000-2001 Board Budget

It was moved by Mr. Korsmo, seconded by Mrs. Satrom to approve the following 2000-2001 Board Budget. Following discussion, Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

	Per Diem		Travel	Total
	# days	amount	amount	Proposed
William Isaacson	58	\$3,625	\$7,000	\$10,625
Craig Caspers	58	3,625	6,000	9,625
Bev Clayburgh	45	2,813	4,000	6,813
Jeanette Satrom	45	2,813	4,000	6,813
John Korsmo	45	2,813	4,000	6,813
Richard Kunkel	45	2,813	4,000	6,813
Chuck Stroup	45	2,813	4,000	6,813
Pool-unbudgeted	10	2,688	2,313	5,001
Jason Bernhardt	37		3,000	3,000
Subtotal		\$24,003	\$38,313	\$62,316
Faculty Representative:				
Robert Kibler	33		2,500	2,500
TOTAL		\$24,003	\$40,813	\$64,816

Resource Plans for 1999-2001 and 2001-2003

President Isaacson said additional resources would be necessary to implement the Roundtable Report action plans. He suggested that resources be reallocated wherever possible. Chancellor Isaak gave a brief description of proposed new positions. He said these new positions are necessary to carry out the action plans. There was concern among Board members on how the public is going to view this proposal following the Higher Education Interim Committee Roundtable Report. **It was moved** by Mr. Stroup, seconded by Mrs. Clayburgh to transfer \$100,000 from the Board Initiative Pool and \$16,897 from the General Fund Carryover to the necessary line item to be used, at the discretion of the Chancellor, for the purpose of fulfilling the Roundtable initiative and to make the appropriate line item transfers within the NDUS Office budget. Following additional discussion, President Isaacson suggested that Chancellor Isaak use discretion and caution on the amount of dollars he transfers and also to make the expenditures at the appropriate time. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

Approval of Action Plans

It was moved by Mr. Korsmo, seconded by Mr. Bernhardt to approve the action plans distributed as the working documents for implementation of the Roundtable Report and for use in pursuing the Board objectives as previously approved. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried. Copies of the action plans are on file in the System Office.

Academic Consent Agenda

Mr. Stroup asked when the campuses would need to include justification and applicability to the Roundtable initiatives in their academic requests. Dr. Hillman responded that the format used for these requests would be discussed at the October AAC meeting. **It was moved** by Mrs. Clayburgh, seconded by Dr. Kunkel, to approve the following academic consent agenda items 1 through 4. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

1. **Minot State University** granted approval to consolidate two colleges—the College of Education and Human Services and the College of Nursing.
2. **North Dakota State University** granted approval to change the department name from Department of Agriculture Economics to Department of Agribusiness and Applied Economics
3. **North Dakota State University** granted approval to change the organizational structure within the College of Business Administration by creating two new departments:
 - Department of Management, Marketing, and Finance
 - Department of Accounting and Information Systems
4. **University of North Dakota** granted approval to change the department name from Department of Visual Arts to Department of Art

Financial and Facility Consent Agenda

Mr. Stroup questioned why campuses need to pay interest on loans resulting from acts of nature. **It was moved** by Mr. Stroup, seconded by Mr. Korsmo that the Chancellor write a letter, with assistance from legal counsel, to the Industrial Commission on behalf of the Board of Higher Education requesting that interest payments on Bank of North Dakota line of credit at UND and NDSU used for emergency flood repairs be waived from this point forward. Mr. Bernhardt suggested that changes to policy should be reviewed also. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

It was moved by Mr. Korsmo, seconded by Mr. Caspers to approve the following financial and facility consent agenda items 1 through 16. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

1. Approved the 1999-2001 deficiency appropriations for the **University of North Dakota** and **North Dakota State University**.
2. Approved the pooling agreement requested by lessee Upton Resources USA Inc. for SBHE leases (for the benefit of the experiment station) in Billings County.

3. Approved the spending of local funds, in excess of the 1999-2001 original local fund appropriation authority, at the following campuses/related entities:
 - WSC \$1,343,000
 - NDSU \$25,700,000
 - NDSCS \$7,138,796
 - MiSU-BC \$454,144
 - Forest Service \$1,180,150

4. Approved **Lake Region State College**'s request of the expenditure authority of up to \$120,000 in additional income collections at LRSC as provided for in Section 3 of HB1003 (1999) as follows:

Operating Expenses	\$100,000
Equipment	20,000

5. Permitted **North Dakota State College of Science** to charge in-state tuition and fees to students enrolled in business and industry partnerships.

6. Approved **North Dakota State University**'s request to name two rooms on the NDSU campus: Philip N. Haakenson Health Sciences Library and Marie Rudel Portner Germans from Russia Room.

7. Permitted **North Dakota State University** to increase the 1999-2001 Grants to Centennial Trees line item spending authority in the amount of \$85,900 from the Centennial Tress Trust Fund for tree planting grants. Source of funds: 1999 legislation HB1003; special fund generated from voluntary contributions received from individual tax returns and private donations.

8. Permitted **North Dakota State University** to seek 2001 legislative authorization to increase the budget for the Sudro Hall Renovation project from \$1,750,000 to \$2,950,000 and to expand the scope of the project, which will also include an 8,000 sq. ft. addition. A request to use \$350,000 of the 1999 authorization of \$1,750,000 for a laboratory animal research facility appears as the next item. Included in the 1999-2001 biennial budget request at \$1,500,000. Source of funding:
 - Private funding \$2,686,205-\$2,756,205
 - Federal USDA funding \$105,000-\$175,000
 - Asbestos removal litigation funds \$88,795

Also, granted permission to retain an architect for developing a more accurate cost estimate and scope of project. Source of funds is local.

9. Granted **North Dakota State University** permission to proceed with the renovation and expansion of the animal care laboratory/research unit located on the second floor of Sudro Hall. This renovation would be Phase I of the total Sudro Hall project using \$350,000 of the \$1,750,000 authorization from the 1999 legislature. Estimated sources of funding:

- Private funds \$237,500
 - Federal USDA \$105,000-\$175,000
 - Asbestos removal litigation funds \$7,500
10. Granted **North Dakota State University** permission to amend the 2001-2003 budget request to include the renovation of a portion of Robinson Hall to accommodate a small animal care/teaching/research unit and to proceed with project subject to legislative approval. Estimated cost is \$550,820. Sources of funding:
 - Federal USDA funding with an equal match from local University funds \$205,410-\$275,410
 11. Authorized the **University of North Dakota** to amend the 2001-2003 budget request to include \$60,000 in private funds to construct the canopy over the entrance to the Rural Technology Center and authorization to proceed subject to legislative approval. Estimated cost is \$50,000-\$60,000. Source of funding is a private gift.
 12. Authorized the **University of North Dakota** to increase spending authority for the steam line replacement project from \$24,000,000 to \$28,000,000. This is a flood project. Source of funding: 90% FEMA and 10% included in the deficiency appropriation request for the flood disaster.
 13. Authorized the **University of North Dakota** to solicit private funding to support the renovation of the Carnegie Library. Further request authorization to increase the amount of the project in the 2001-2003 biennial budget request from \$2.5 to \$3.0 million in private funds.
 14. Authorized the **University of North Dakota** to proceed with renovation of the 1st, 2nd, and 3rd floor bathrooms in Johnstone Hall. Estimated cost is \$805,690. Source of funds is from housing reserves available as a result of the 1998 revenue bond refunding.
 15. Granted the **University of North Dakota** approval to name the operations center of the Alumni Association the Strinden Center in honor of Earl S. Strinden.
 16. Granted the **University of North Dakota** approval of the Development Agreement and Ground Lease with United Properties Investment LLC for the Bronson Property and authorization to proceed with development in accordance with that Agreement; further, delegated to the Chancellor authority to approve subsequent modifications to the Development Agreement and Ground Lease or other legal documents implementing the Development Agreement and authority to the Chancellor and UND officials to execute the documents on behalf of the Board.

President Isaacson acknowledged all of the work that Mr. Earl Strinden has done for the University of North Dakota. Chancellor Isaak will send Mr. Strinden a letter of thanks.

Personnel Consent Agenda

It was moved by Dr. Kunkel, seconded by Mrs. Satrom to approve the following personnel consent agenda items 1 through 5. Chancellor Isaak suggested that SBHE Policy 703.1 Early Retirement could be changed to eliminate the need for exceptions to the policy to come before the Board. Mr. Stroup suggested that all BHE policies be reviewed on an annual basis, with review of certain sections being done every year in the same month. President Isaacson agreed that annual review of the BHE policies was a good idea. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

1. Made the following appointments to the State Grant Advisory Board:
 - ♦ Mr. Bob Neas, NDSU, expires June 30, 2003
 - ♦ Mr. Bruce Haskins, MiSU, expires June 30, 2003
 - ♦ Ms. Ann Thorson, University of Mary, expires June 30, 2002
 - ♦ Ms. Rhonda Davis, TMCC, Student Representative, expires June 30, 2001
2. Granted **Bismarck State College** an exception to SBHE Policy 703.1 Early Retirement for Don Bigwood to teach Intermediate Algebra 102 with Lab and Math 166 (Calculus II) fall 2000.
3. Granted **Bismarck State College** an exception to SBHE Policy 703.1 Early Retirement for Irene Tschider to teach BOTE 253: Legal Office Procedures for fall 2000.
4. Awarded tenure for Velmer S. Burton, Jr. at **North Dakota State University**
5. Granted the **University of North Dakota** exceptions to SBHE Policy 703.1 Early Retirement for:
 - ♦ Dale Bodine to teach Mechanical Engineering 487/488
 - ♦ Dr. Paul Ray to facilitate Blocks II and III of Patient Centered Learning for the School of Medicine & Health Sciences

2001-2003 Budget Request

Chancellor Isaak briefed the Board on the Technology Support Plan for the ND State Network. This plan would "...provide the technology support needed by K-12 schools, NDUS Initiatives, and local political subdivisions when the new ND State Network is deployed, with special emphasis on data and video applications for education." Agencies involved in the implementation of this plan, along with the cost to NDUS entities, are the ND Information Technology Department, the ND Educational Telecommunication Council, ND Interactive Video Network (\$2,739,194), SENDIT Technology Services, Online Dakota Information Network (\$422,980), ExplorNet, Center for Innovation in Instruction, the Higher Education Computer Network (South \$935,100), Association of Counties, and the NDUS (\$498,200). The Office of Management and Budget said the costs must be included in the appropriate agency/institution 2001-2003 budget request. Chancellor Isaak pointed out that over one-half of

the \$4,595,474 cost for NDUS entities is to provide enhanced services for K-12 and other state entities. **It was moved** by Mrs. Satrom, seconded by Dr. Kunkel to amend the 2001-2003 NDUS office budget request guidelines to include a state general fund request of \$4,595,474 to the NDUS in support of the Technology Support Plan for the new ND State Network. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

Public Comment

There was no public comment.

Announcements

Institutional Assignments

President Isaacson made the following 2000-2001 institutional assignments.

- BSC Mr. Stroup
- DSU Mr. Bernhardt
- LRSC Dr. Kunkel
- MaSU Mrs. Satrom
- MiSU Dr. Isaacson
- MiSU-BC Dr. Kunkel
- NDSCS Mr. Caspers
- NDSU Mr. Korsmo
- UND & Med School Mrs. Clayburgh
- VCSU Mrs. Satrom
- WSC Dr. Isaacson
- FBCC & TMCC Dr. Kibler

Campus Reports

There were no campus reports.

Review of Board Meeting

Board members discussed the new format of the Board agenda. Overall, Board members said they agreed with the new format, with some modifications to the seating arrangement. Board members also discussed establishing a closer relationship with the campus presidents on an informal basis, by involving them in critical discussions at Board meetings, and/or by inviting the presidents to join the Board in the meeting with community leaders.

The meeting adjourned at 11:10 a.m. MT. The State Board of Higher Education will hold a special meeting via conference call on October 16, 2000, and their next regular scheduled meeting is November 16-17, 2000, at Lake Region State College.