

## STATE BOARD OF HIGHER EDUCATION

Minutes—October 16, 2000

Conference Call

The State Board of Higher Education met for a special meeting via conference call October 16, 2000. The president called the meeting to order at 2:00 p.m. CT. Members participating 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 Campus Deans participating 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. Sharon Etemad, LRSC      |
| Dr. Kathleen Corak Sund, MiSU-BC                              |                              |
| Mr. Larry Eide, MiSU, participated in place of Dr. Erik Shaar |                              |

Staff members participating 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

Others participating:

Mr. Dennis Jones, NCHEMS

### **Board Objective # 4—Resource Allocation Mechanism**

#### Peer Selection Criteria

President Isaacson restated the Legislative Interim Higher Education Committee Roundtable recommendation that a new resource allocation mechanism be developed for the NDUS. The funding mechanism contains three components: base funding, incentive funding, and asset funding. Base funding would be determined based upon a comparison to a unique set of peer institutions for each NDUS campus. A subcommittee of the Administrative Affairs Council was

formed to investigate new funding methodologies. The subcommittee collected the proposed peer selection criteria, which the Chancellor's Cabinet has approved.

Mr. Dennis Jones, National Center for Higher Education Management Systems (NCHEMS) Director and Roundtable Consultant, said once the Board approves the ten peer selection criteria, he would develop two initial lists of institutions for each of the NDUS campuses: a long list and a shorter list that will be comprised of his recommendations. Mr. Jones will discuss these lists with the presidents at the end of November to find out which peer institutions suit each NDUS campus the best. A draft list will be presented to the Board at the December meeting for their approval and will be available for the 2001 legislature. Mr. Jones invited campuses to forward suitable peers to him if they have any in mind ([dennis@nchems.org](mailto:dennis@nchems.org)).

Mr. Jones, responding to a question on base funding, recommended that campuses use unrestricted Educational and General (E&G) revenues per FTE students as a benchmark in the process of selecting peer campuses. This will provide information on total resources available to the campuses, not necessarily concerned about the source of the resources at this point. He said that the information gathered on the peer comparators will provide information on how funding for the NDUS institutions compare to similar institutions across the United States. This information will aid the Board in preparing their budget request. Chancellor Isaak said that if the legislature gives the Board a lump sum appropriation, the Board could use this information to allocate the funds; or if not, the legislature can use this information to provide a pool to the Board for equity funding or in allocating funds to the campuses.

**It was moved** by Mr. Stroup, seconded by Mrs. Satrom to adopt the peer selection criteria as follows (a complete copy is on file in the System Office):

1. Public Institutions Only
2. City Size
3. Carnegie Classification Code
4. Land-grant institution or medical school
5. Total FTE Students
6. Total Headcount enrollment
7. Percent Part-time Headcount
8. Degree's Awarded
9. Degree Program Mix (Degrees Conferred)
10. Research Expenditures

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 # 5—Align With Needs of the State and Research Summit**

#### Research and Development Summit

President Isaacson updated the Board on the progress of plans for the Research and Development Summit to be held in Bismarck. The committee is currently drafting an agenda for the Summit, which may take place over one to two days. Due to the amount of planning necessary, the Summit, that was to take place prior to December 31, 2000, is now being planned for February 2001. President Isaacson said the draft agenda tentatively includes: the Governor and legislative leaders to give a keynote address, an overview of technology and research from the leaders of research in the NDUS, a luncheon speaker, review of current research and development in the

NDUS, a dinner speaker, and working models of research and technology currently taking place in ND. President Isaacson said there would be costs for this Summit for the invitations, support personnel, brochures, etc. The committee is requesting \$15,000 from the Board Initiative Pool to help fund the Summit. ED&F will also provide financial support. Dr. Kibler requested that liberal arts research be included in the Summit and President Isaacson said the committee would consider this request. Following additional discussion, **it was moved** by Mrs. Clayburgh, seconded by Mr. Korsmo to allocate \$15,000 from the Board Initiative Pool to provide financial support for the Research and Development Summit. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

### **Financial and Facility Consent Agenda**

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

- ✘ Authorized **Minot State University** to proceed with the powerhouse roof replacement and exterior walls repair project. This was included in the 1999-2001 Capital Improvements Line Item Budget Request and in the 2000-2001 annual Budget Capital Improvements Schedule. Estimated cost is \$125,000. Source of funding is the 2000-2001 Capital Improvements Line Items.

### **Personnel Consent Agenda**

Following clarification on the following request and discussion on the need for the Board to approve these early retirement waiver requests, President Isaacson requested that Mr. Seaworth review the policy. **It was moved** by Mr. Stroup, seconded by Mrs. Satrom to approve the following personnel consent agenda item and request that Mr. Seaworth review SBHE Policy 703.1 Early Retirement. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

- ✘ Authorized an exception to SBHE Policy 703.1 Early Retirement for Jackie McElroy-Edwards to serve as a consultant for 2000-2001 at the **University of North Dakota**.

The meeting adjourned at 3:05 p.m. CT. The State Board of Higher Education will hold its next meeting is November 16-17, 2000, at Lake Region State College.