

STATE BOARD OF HIGHER EDUCATION

Minutes—January 25-26, 2001

Bismarck, ND

The State Board of Higher Education met January 25-26, 2001, in the Student Union Prairie Room on the campus of Bismarck State College. The president called the meeting to order at 8:00 a.m. CT. Members present were:

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| 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:

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|----------------------------|------------------------------|
| 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 |
| Dr. Sharon Etemad, LRSC | |

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
Debra Anderson, Public Affairs Director
Sheila Tibke, Administrative Secretary

Minutes

It was moved by Mrs. Clayburgh, seconded by Dr. Kunkel, and unanimously carried to approve the minutes of the December 21, 2000, meeting as distributed.

Board President's Report

President Isaacson reported that he received resolutions regarding the Fighting Sioux nickname from the UND University Senate, Spirit Lake Tribe, and Minot Faculty Senate. President Isaacson asked if anyone wished to make a motion to add this issue to the agenda for the March Board meeting. No motion was made.

Chancellor's Report

Chancellor Isaak said the PowerPoint presentation on the FINDET Report will be mailed in the near future to Board members for use in their presentations.

Student Association Report

Ms. Heather Lee, President of the ND Student Association (NDSA), reported that the NDSA vice president, Laura Oliver, resigned and Mr. Dan Wellcome, UND, was elected the new vice president. The NDSA will be forwarding names for the Board student member to the Governor in February. The next NDSA meeting is February 23-24, 2001, at BSC. February 22, 2001, is Higher Education Day.

Council of College Faculties Report

Dr. Kibler reported that the State of the Faculty Conference would be hosted by UND the second or third week in September 2001 with contributions to the organization from MaSU and VCSU. Tentative topics for the joint meeting of the Board and CCF in March include intellectual property, tuition policies and waivers, UND nickname and logo, and the Roundtable Report.

Board Objective # 1—Financial and Performance Accountability Measurements

Status Report

Ms. Glatt had nothing new to report.

Board Objective # 2—Removing Barriers

Status Report

Mr. Seaworth reported that a list of potential policy changes will be completed by the end of February and the Cabinet will review this list by the end of March. Final proposed policy revisions will be submitted to the Board in April.

SBHE Policy Manual 500 and 700 Sections

Mr. Seaworth stated the review of the 500 and 700 sections of the SBHE Policy manual is a continuation of a process that began 1-1½ years ago. Following discussion, the Board asked the Chancellor to review SBHE Policies 702.2 Faculty and Exempt Staff Personnel Evaluation and 702.4 Campus Administration of Salary Increase Funds. SBHE Policy 705.1 Executive Compensation was referred to Dr. Kunkel's committee on presidential performance reviews and compensation for review.

It was moved by Mr. Stroup, seconded by Mr. Korsmo to approve on introduction and first reading the following **SBHE Policies**. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried. Exhibit A.

- 502 Choice of Name of Official Record Keeping
- 504 Resident Tuition Law and Guidelines
- 505 International Student Health Insurance
- 506.1 Immunization
- 507 Student Publications
- 701.1 Leave Without Pay
- 701.2 Developmental Leave
- 702.1 Payroll Deductions (delete policy)
- 703.1 Early Retirement
- 703.2 ~~North Dakota State Retirement~~ Benefits
- 703.3 TIAA/CREF (delete policy)
- 703.5 Deferred Compensation (delete policy)
- 704.1 Extra Territorial Coverage (delete policy)
- 704.2 Health Insurance (delete policy)
- 704.3 State-Supported Group Life Insurance (delete policy)
- 704.4 Social Security (delete policy)
- 706.1 Board Members Per Diem Payments
- 706.2 Authorization for Travel Reimbursements (delete policy)
- 706.3 Authorization for Travel
- 707 Severance Pay

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

Status Report

President Isaacson reported that the Research and Development Summit would be held March 6-7, 2001.

Cultural Diversity Reports

Responding to a request from the Board at the December 2000 meeting, the campus presidents presented reports outlining the cultural diversity activities currently taking place on their campuses and recommendations for possible improvements. Chancellor Isaak reported that the Chancellor's Cabinet discussed the need for continuing education on cultural diversity. He said the Cabinet asks that the Board consider discussing, at some future meeting, diversity and the possibility of appropriating dollars to the campuses for the diversity effort and funding, in part, the annual diversity conference. The Cabinet also suggested having an annual meeting with Native American Indians, tribal college presidents, and other leaders in the Native American Indian community.

Dr. Vickers recommended offering incentives to help smaller campuses hire a person responsible for working with and being a contact person for diverse cultures and revising SBHE Policy 820 Tuition Waivers to allow waivers of up to three percent of total headcount enrollment for international students as is the current policy for cultural diversity waivers. Many of the other presidents agreed with Dr. Vickers recommendations.

In numerous campus reports, presidents mentioned the importance of hiring faculty and staff of diverse cultures and the incorporation of culturally diverse courses into the regular education curriculum. Greater flexibility in the areas of tuition and financial aid would be beneficial to the campuses to attract students to attend their campus. There was also discussion on using the IVN system to offer courses to the tribal colleges. President Isaacson suggested using IVN to offer courses on diversity from the tribal colleges to NDUS campuses. Dr. Hillman said the IVN agreement with the tribal colleges would be renewed soon. At that time, he will share these ideas with them and ask them if they are interested in pursuing any of them. Dr. Hillman indicated that when the original agreement was signed, the tribal colleges first priority was to share courses between the tribal colleges before importing courses from the NDUS. Due to the IVN system being widely utilized, finding available time will be a problem on the current IVN system for some campuses.

The Board members discussed receiving a report annually on the cultural diversity issues in the NDUS and also having a meeting at one of the tribal colleges with time set aside to meet with tribal college presidents and Native American Indian leaders. President Isaacson said he received a letter from Mr. Tex Hall, Three Affiliated Tribes Chairman, requesting a formal meeting with the Board and tribal leaders at UND. No date has been set for this meeting. Dr. Kibler said that Ms. Carol Davis, TMCC Vice President, also extended a formal invitation to the Board to hold a Board meeting at the new casino in Turtle Mountain.

It was moved by Mr. Caspers, seconded by Mrs. Clayburgh that the Board receive an annual review of campus diversity initiatives and that during the next year, the Board hold a meeting at a tribal college. Mr. Stroup requested that the motion be amended to include adding the annual review of cultural diversity initiatives to Cornerstone 2 to become part of the Board's strategic plan for the future. Mr. Caspers and Mrs. Clayburgh concurred with Mr. Stroup's amendment. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

Academic Requests

Dr. Hillman reviewed an academic request from UND to offer a new program of study: Master of Science in Aviation to be offered on and off campus. He reported that there are only three aviation graduate programs in the United States and none are offered via distance education. Enrollment is anticipated to be 10-15 students in the first year, increasing to 25 students by the third year for the on-campus program. The off-campus program expects enrollments of 20 students in the first year, increasing to 30-35 students by the third year. Based on these anticipated enrollments, UND expects to graduate 17 students by summer 2003. Mr. Dean Smith, UND, briefed the Board on the background of this proposed program and responded to questions.

It was moved by Mrs. Clayburgh, seconded by Mrs. Satrom to approve the **University of North Dakota**'s request to offer a new program of study: Master of Science in Aviation on and off campus. 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

Status Report

Dr. Hillman had nothing new to report.

Statewide Practical Nurse Program

Dr. Hillman reported that North Dakota is in need of adequately trained nurses, especially in long-term care. He said that Chancellor Isaak appointed a task force to research this problem and find solutions. Dr. Etemad chaired the task force that consisted of NDUS employees and external constituents. Dr. Hillman indicated that the model consists of forming partnerships between the NDUS campuses, ND Board of Nursing, and businesses and no new funds will be needed to support the proposal. He also indicated that accepting the report would authorize BSC and LRSC to offer practical nursing programs through WSC. Dr. Etemad added that some of the local communities have agreed to help provide funds for the needed technology.

Dr. Etemad; Dr. Connie Kalanek, Executive Director, ND Board of Nursing; and Mr. Chip Thomas, President, ND Health Care Association were present to explain the proposed model and respond to questions. Dr. Etemad said the task force surveyed every health care facility in ND and the 40 percent that responded expressed an extraordinary need for LPNs and RNs. She explained that each of the four Workforce Training community colleges would be authorized to award an Associate degree in Practical Nursing if the Board accepted the report. The training will be offered both on and off campus. The practical nursing curriculum from WSC will be delivered to LRSC and BSC. These two campuses, along with NDSCS and DSU, will share nursing theory courses that align with the WSC curriculum. Each campus would provide the required general education and laboratory science courses, share costs of a program chair, and provide resources for faculty to deliver nursing theory courses and coordinate laboratory and clinical experiences. Clinical experiences will be offered in the community college or in remote sites to provide more accessibility to students across the state. Targeted implementation date is fall 2001.

Dr. Kalanek and Mr. Thomas said their organizations are both supportive of this model of delivering education for practical nurses.

Dr. Etemad assured the Board that the task force will not come back to the Board to request specific funding for this nursing initiative in the future.

It was moved by Dr. Kunkel, seconded by Mrs. Clayburgh to approve the **statewide model for delivering education for practical nurses**. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, and Dr. Kunkel voted aye. Mr. Caspers and Dr. Isaacson voted no. The motion carried.

Policy 820

Dr. Hillman presented SBHE Policy 820 Tuition Waivers with an amendment to allow waivers for international students up to three percent of an institutions headcount enrollment. The proposed policy change would also permit campuses to provide a program guarantee waiver. This guarantee states that if a graduate does not qualify for an entry-level position, they may qualify for a tuition waiver for a limited number of courses from the campus they graduated from. Institution policies will define eligibility criteria for the waiver and the extent of the campuses liability.

It was moved by Mrs. Satrom, seconded by Mr. Caspers to approve on introduction and first reading **SBHE Policy 820 Tuition Waivers**. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. Mr. Korsmo was absent. The motion carried.

Tuition proposals

At the September 2000 meeting, the Board charged the Chancellor to draft options for improving enrollment recruitment and retention. Chancellor Isaak presented the following list to the Board and pointed out that the Cabinet has discussed the following options:

- A. Charge per credit hour-14th and 15th hours free (BSC model) - BSC, LRSC, WSC, NDSCS
- B. Participate in Midwest Higher Education Compact (MHEC *) student exchange program at 150% of the resident tuition rate for programs selected by campus. – all campuses
- C. Charge the resident tuition rate to all non-residents, except Minnesota residents– BSC, LRSC, WSC, NDSCS
- D. Charge the resident or Minnesota tuition rate to students from the contiguous states of Montana and South Dakota (not Minnesota) and all Canadian provinces.
- E. Charge per credit for all credits over 20 credit hours per semester at those campuses that charge tuition on a flat-rate model.
- F. Charge the resident tuition rate to all students enrolled in “credit” summer school self-support courses and cooperative education courses.
- G. Charge resident or MN reciprocity tuition rates to all non-resident students with a certain ACT score or international students who meet certain criteria.
- H. Charge a discounted resident tuition rate to ND residents with a certain ACT score.
- I. Provide full or partial tuition waivers for international students.
- J. Develop a comprehensive marketing plan and incentive programs to recruit targeted student markets (e.g. ND high school graduates, older-than-average, high academic achievers).

*MHEC states: Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin.

Other ideas that were mentioned by Board members and talked about:

- ✓ Accept the Canadian dollar at par on campus for tuition and fees.
- ✓ Provide campus flexibility to set tuition rates based on discipline and market and hold the campuses accountable for the financial stability of the institution
- ✓ Market the high quality of the programs offered on the NDUS campuses to draw students

Chancellor Isaak said that further research would be done on the draft tuition proposals and the ideas that the Board discussed and a proposal will be presented to the Board at a future meeting. The Chancellor said that the Cabinet would look for ways to provide the campuses more pricing flexibility as they draft a proposal.

Board Objective # 7—Sustaining the Vision

Status Report

Mr. Dunn had nothing new to report.

Board Mission and Vision Statements

Mr. Dunn presented revised Board policies incorporating the NDUS's new mission and vision statements. The Board had previously approved the mission statement. In proposed Policy 100.4, Mr. Dunn suggested changing the language from "teaching, research and service" to "the discovery, sharing, and application of knowledge." If adopted by the Board, he said, this language would also need to be replaced in 100.5 II. Core Values, last item. He also suggested replacing the word "whom" with "those" in the mission and vision statements in Policy 100.4. In Policy 100.6 B. Program Collaboration and Duplication, it was the consensus of the Board to delete "the Board will permit programmatic duplication where it is necessary to serve a different client group and necessary to sustain an economically viable program." The deletion removes the redundancy in this section.

It was moved by Mr. Stroup, seconded by Dr. Kunkel to approve on introduction and first reading the following new **SBHE Policies**:

100.4 Mission and Vision of the North Dakota University System

100.5 Beliefs and Core Values of the State Board of Higher Education

100.6 Role and Responsibility of the State Board of Higher Education

100.7 Institution Mission Statements

and to delete the following **SBHE Policies**:

100.1 Mission of the North Dakota University System

100.2 Mission of the State Board of Higher Education

100.3 State System Philosophy and Principles of Operation

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

Legislation

Mr. Seaworth reviewed the proposed legislation that the NDUS is tracking. Following discussion on various bills, **it was moved** by Mr. Stroup, seconded by Mr. Caspers to take the positions on the bills as presented below. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

| | | |
|------|---|---------|
| 1026 | Deficiency appropriation – includes NDSU and UND flood costs | SUPPORT |
| 1043 | Student loan forgiveness in certain industries; \$2 million appropriation | TRACK |
| 1157 | Creates quality schools commission, including SBHE representative | SUPPORT |
| 1181 | Removes SBARE budget deadline; use of research funds for admin. costs | SUPPORT |
| 1182 | Exclude NDUS from the definition of telecommunications provider | SUPPORT |

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| 1197 | Increases mileage rate from \$.25 to \$.31 per mile | TRACK |
| 1217 | Creates defined contribution plan alternative for state employees | TRACK |
| 1248 | Creates entrepreneur seed fund with SBHE rep. on board; \$3.0 m. appropriation | TRACK |
| 1283 | Student loan interest rate buy down for technology occupations | TRACK |
| 1298 | Creates infrastructure audit task force for state | TRACK |
| 1299 | Restricts land acquisition by state and other government entities | TRACK |
| 1310 | Scholarships for retraining K-12 teachers; \$120,000 appropriation to NDUS | SUPPORT |
| 1317 | Creates a division of immigration in Dept. of Commerce or SBHE | TRACK |
| 1418 | Student loan forgiveness for K-12 teachers; \$2 m. appropriation | TRACK |
| 2003 | NDUS appropriation bill | SUPPORT |
| 2020 | Voc. Ed approp; includes workforce training funds | SUPPORT WF TRAINING FUNDS |
| 2021 | Agriculture Experiment and Extension Appropriation bill | SUPPORT |
| 2022 | ITD appropriation, including \$20.4 million for ERP | SUPPORT ERP |
| 2023 | State bonding-MiSU Old Main; energy projects | SUPPORT NDUS PROJECTS |
| 2037 | Remove tuition from legislative appropriation; continuing appropriation | SUPPORT |
| 2038 | Block grant appropriations to NDUS | SUPPORT |
| 2039 | Sets \$500K threshold on legis. OK for projects financed from private funds | SUPPORT |
| 2040 | Provides NDUS exemption on reporting 'fiscal irregularities' | SUPPORT |
| 2041 | NDUS is unified system; strategic plans and accountability reports | SUPPORT |
| 2042 | Revise executive session law; rules governing patents, etc.; repeals | SUPPORT |
| 2043 | Exempts NDUS academic and research IT projects from reporting requirement | SUPPORT |
| 2117 | Groups created by presidents would be subject to open meetings law | TRACK |
| 2122 | Replaces Centennial Trees Program with Trees for North Dakota | SUPPORT |
| 2136 | Broadens resident student definition for tuition purposes | SUPPORT |
| 2137 | NDSU Robinson Hall, student apartments appropriation | SUPPORT |
| 2276 | Appropriates \$180,000 to Health Council to fund loan repayment for dentists | TRACK |
| 2188 | Requires five percent preference for ND bidders | TRACK |
| 2198 | Allows private sector participation in PERS group health insurance plan | TRACK |
| 2203 | Permits collegiate license plates | TRACK |
| 2241 | Permits associate degree holder to qualify as RN | TRACK |
| 2263 | Collective bargaining for state employees | TRACK |
| 2271 | Workforce training investment fee on wages; workforce training boards | OPPOSE |
| 2291 | Mandates transfer of credits | OPPOSE |
| 2292 | Establishes PSEP repayment program - vet medicine, optometry and dentistry | TRACK |
| 2297 | Increase state lodging reimbursement | TRACK |
| 2322 | Concerns presidents' authority if construction ceases on building financed by gift | TRACK |
| 2343 | Tuition waiver for NDUS employees and dependents | OPPOSE |

Mr. Tim Byran, North Central Research Center Advisory Board of Producers, attended the Board meeting in support of HB1200. **It was moved** by Mr. Korsmo, seconded by Mrs. Clayburgh to support HB1200 (authorizes NC Research Center land purchase) without funding from the NDUS budget. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

Consent Agendas

It was moved by Mr. Caspers, seconded by Dr. Kunkel to approve the following financial and facility consent agenda items 1 through 5. 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

1. Granted **North Dakota State College of Science** permission to proceed with establishment of an Allied Health Outreach Training Center in the Skills and Technology Training Center (STTC) in Fargo pending receipt of grant funds and approval by the legislative assembly. Estimated cost \$371,550. Source of funding is from a grant request submitted to the Dakota Medical Foundation Board of Directors.
2. Authorized **North Dakota State University** to proceed with the replacement of the F Court student apartment building immediately upon passage of SB 2137. This building was destroyed by fire on October 21, 2000. Sources of funds—approximately \$700,000 in building insurance coverage and \$1,610,000 from residence life repair and replacement funds.
3. Authorized **North Dakota State University** to proceed with the Residence Hall project following legislative approval. Estimated cost is \$11,000,000. Source of funding is from 30-year revenue bonds.
4. Granted the **University of North Dakota** a line item transfer from operating to equipment in the amount of \$366,000. \$272,500 from Computer Center HECN North operating to equipment in fiscal year 2001 and \$93,500 from Computer Center campus computing operating to equipment in fiscal year 2001.
5. Authorized **Valley City State University** to proceed with Phase I of the Memorial Student Center Roof Replacement project. Estimated cost is \$125,000. Source of funds: approximately \$100,000 from bookstore, student center, and food service reserves and \$25,000 would be temporarily transferred from housing reserves.

Board Objective # 9—Board Self-Assessment

Status Report

President Isaacson had nothing new to report.

Major Capital Project Tour

Board members received a presentation in the Prairie Room on distance education and disability support services.

Community Meeting

Community and business leaders from the Bismarck area met with the Board, NDUS staff, and some campus presidents and discussed higher education issues and their relationship with BSC. Community members in attendance were:

- ✓ Mr. Vern Dosch, Chief Operating Officer, National Information Solutions Cooperative and Trustee, BSC Foundation
- ✓ Mr. Steve Egeland, Vice President of Business Development, Bismarck Mandan Development Association
- ✓ Mr. Mike Hummel, Vice President of Finance, BNI Coal, Ltd., and Chairman of the Board, BSC Foundation
- ✓ Mr. Ken LaMont, Mandan Mayor and Assistant Professor of Hotel/Restaurant Management, BSC
- ✓ Mr. Dave MacIver, President, The Bismarck-Mandan Chamber
- ✓ Ms. Marcia Olson, Office Manager, Family Foot & Ankle Clinic; Trustee, BSC Foundation; and Member, Bismarck Public Schools
- ✓ Mr. DuWayne Ternes, CEO, Capital City Construction, Inc. and Trustee, BSC Foundation

The Board recessed at 6:40 p.m. CT and reconvened January 26, 2001, at 7:30 a.m. CT.

Breakfast Meeting

Board members met for breakfast in the Student Union Alumni Room with leaders from student government, staff senate, and faculty senate.

Board Objective # 7—Sustaining the Vision (continued)

Legislation (continued)

Chancellor Isaak informed the Board that a survey was done at all NDUS campuses regarding their fuel costs for the remainder of the 1999-2001 biennium. NDSCS reported an estimated \$582,000 shortfall in their utilities budget. NDSCS heats with natural gas, which is their major heat source. MaSU is estimating a shortfall of approximately \$19,000. LRSC reported an estimated \$20,000 shortfall but indicated that they will use excess tuition income to cover their shortfall. Chancellor Isaak reported that NDSCS also had a steam line break with an estimated repair cost of \$32,000.

It was moved by Mr. Stroup, seconded by Mr. Korsmo to grant authority to request a deficiency appropriation from the legislature sufficient to cover the shortfalls in utilities at **North Dakota State College of Science** and **Mayville State University** and the steam line repair at NDSCS. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

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

Status Report

Chancellor Isaak reported that he and President Isaacson testified at the appropriation hearings on the NDUS budget request. He said the campuses did a good job in their testimony and their messages were consistent.

MaSU Fieldhouse Project

Chancellor Isaak presented a request from MaSU for a capital project to renovate and add on to the fieldhouse, in accordance with the campus master plan, using private funds. **It was moved** by Mr. Korsmo, seconded by Mr. Stroup to authorize **Mayville State University** to launch a private fund campaign for up to \$4 million for the fieldhouse project; authorization to seek an amendment to the 2001-2003 appropriation bill to add \$4 million in private funds for the project; and authorization to proceed with the project pending legislative approval, with any significant change in size or scope to be brought back to the Board. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, Mr. Caspers, and Dr. Isaacson voted aye. The motion carried.

Board Objective # 3—Developing Long-term Financing Plan for NDUS

Status report

Mr. Dennis Jones, National Center for Higher Education Management Systems (NCHEMS), presented a progress report and background information for the NDUS long-term financing plan. Following are some of the major points made by Mr. Jones. (Based on 1998 data.)

- ✓ The NDUS lags its peer comparators by 12%-15% in what it receives in unrestricted funds
- ✓ ND ranks in the 87th percentile nationally on education appropriations plus net tuition per FTE student
- ✓ \$36,047,000 in additional revenue is required annually for the NDUS institutions to reach peer group medians
- ✓ NDUS lags behind the national average in tuition and mandatory fee revenues per FTE student
- ✓ The potential tax revenue per FTE student in ND is only 56% compared to the national average
- ✓ ND lags behind in salaries more than in overall funding
- ✓ ND collects fewer dollars per capita and per student than the national average
- ✓ ND collects slightly more in taxable revenue than the national average
- ✓ The higher education appropriation from tax revenue is 30% higher than the national average

Special Orders

Sandra Peterson appeal

The Board heard arguments and considered evidence regarding the dismissal of Ms. Sandra Peterson from BSC from her attorney Mr. Casey Chapman. Mr. Pat Seaworth presented the arguments for BSC. **It was moved** by Mrs. Clayburgh, seconded by Dr. Kunkel to affirm the dismissal and adopt the Recommended Findings of Fact, Conclusions of Law, and Order. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, and Dr. Isaacson voted aye. Mr. Caspers was absent. The motion carried. Exhibit D.

Board Objective # 4—Resource Allocation Mechanism

Status Report

Chancellor Isaak said there is no further report beyond Mr. Jones' presentation.

Contingency Fund Allocation

Chancellor Isaak reported that the 1999-2000 reciprocity payment from Minnesota was less than expected due to a change in the flow of students between ND and MN. This results in a shortfall in the state Grant Program, ND Scholars Program, and campus revenues. Chancellor Isaak requested that the Board allocate \$217,603 from their Contingency and Initiative Funds in one-time funding to the following campuses:

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| ✓ | UND | \$ 99,497 |
| ✓ | NDSU | 110,166 |
| ✓ | DSU | 840 |
| ✓ | MaSU | 3,790 |
| ✓ | MiSU | 368 |
| ✓ | VCSU | <u>2,942</u> |
| | | \$217,603 |

It was moved by Mrs. Clayburgh, seconded by Dr. Kunkel to approve an allocation of \$120,761 from the Board's Contingency Fund and \$96,842 from the Board's Initiative Fund to offset the reduction in revenue from the reciprocity payment. Mr. Stroup, Mrs. Clayburgh, Mr. Bernhardt, Mr. Korsmo, Mrs. Satrom, Dr. Kunkel, and Dr. Isaacson voted aye. Mr. Caspers was absent. The motion carried.

Public Comment

Mr. Jesse Taken Alive, Standing Rock Tribal Government, voiced opposition to use of the UND Fighting Sioux nickname and mascot. He said that Standing Rock has adopted a resolution condemning the Board's action on the Fighting Sioux name and the resolution is supported by the presidents of the National Congress of American Indians and the National Indian Education Association.

Mr. Fintan Dooley, Bismarck, also expressed his opposition to the UND Fighting Sioux nickname and mascot.

Announcements

The next Board meeting will be held at BSC on March 15-16, 2001.

Campus Reports

There were no campus reports.

Review of Board Meeting

President Isaacson suggested the Board meeting schedule be revised to stay on time. He asked that the Board members forward him suggestions via e-mail.

The meeting adjourned at 12:05 p.m. CT.