

ND STATE BOARD OF HIGHER EDUCATION

Minutes—April 17-18, 2002

Dickinson, ND

The State Board of Higher Education met April 17-18, 2002, in the Student Center South Ball Room on the campus of Dickinson State University. The Board president called the meeting to order at 3:45 p.m. MT. Members present:

Mr. Chuck Stroup, President	Mr. Bruce I. Christianson
Mr. Craig Caspers, Vice President	Dr. Richard Kunkel
Mrs. Beverly Clayburgh	Ms. Heather Lee, Student Member
Dr. Bill Isaacson	Mr. James Grijalva, Faculty Advisor

Board members absent:

Mr. Ralph Kingsbury

Presidents and Campus Deans present:

Dr. Donna Thigpen, BSC	Dr. Ken Grosz, MiSU-BC
Dr. Lee Vickers, DSU	Dr. Sharon Hart, NDSCS
Dr. Sharon Etemad, LRSC	Dr. Joe Chapman, NDSU
Dr. Ellen Chaffee, MaSU/VCSU	Dr. Joe McCann, WSC
Dr. Erik Shaar, MiSU	
Dr. John Ettl, UND, participated for Dr. Charles Kupchella	

Staff members present:

Larry A. Isaak, Chancellor
Laura Glatt, Vice Chancellor for Administrative Affairs
Michel Hillman, Vice Chancellor for Academic Affairs
Eddie Dunn, Vice Chancellor for Strategic Planning/Executive Director CTEC
H.P. Seaworth, General Counsel/Executive Secretary
Debra Anderson, Public Affairs Director
Sheila Tibke, SBHE Administrative Secretary/Financial Aid Assistant

MAJOR CAPITAL PROJECT TOUR

Board members toured Murphy Hall.

COMMUNITY MEETING

Community and business leaders from the Dickinson area met with the Board, NDUS staff, and campus presidents to discuss how the university system can enhance the economic development of the Dickinson region.

The Board recessed at 6:00 p.m. and reconvened April 18, 2002, at 7:30 a.m.

Mr. Christianson and Mr. Grijalva joined the meeting at this time.

BREAKFAST MEETING

Board members met for breakfast in Room 118 of the Student Center with leaders from student government, staff senate, and faculty senate.

Minutes

It was moved by Caspers, seconded by Isaacson, and unanimously carried to approve the minutes of the March 21-22, 2002, meeting as distributed.

BOARD PRESIDENT'S REPORT

President Stroup:

- recognized and welcomed Ms. Sue Andrews as a newly appointed SBHE member. Her term begins July 1, 2002.
- recognized and welcomed Mr. Josh Askvig as a newly appointed member to the SBHE. His term begins July 1, 2002.
- expressed congratulations to Dr. Kunkel on his reappointment to the SBHE.
- thanked Board members for filling out the survey on the process for allocating campus initiative funds. He will present the results in June.
- reported on one action the SBHE Budget and Finance Committee (BFC) took at their meeting on April 10, 2002. The Committee received a report from Mr. Mick Pytlik, NDUS director of financial systems, on Governmental Accounting Standards Board (GASB) 34/35. In order to comply with the new accounting standards, the State Auditor's Office (SAO) will no longer prepare the consolidated financial statements for the campuses beginning with FY2002. The SAO estimates it takes 400-500 hours to complete these statements, and initially, the auditors will need this time performing the normal audit under the new standards. As a result, the NDUS will not experience a reduction in the audit billing equivalent to the 400-500 hours saved from no longer preparing the financial statements. Ms. Glatt informed the Committee that the Chancellor's Cabinet recommends that the NDUS contract for services with an external accounting firm for the preparation of the

consolidated financial statements. An RFP is currently under development. The estimated cost is \$40,000-50,000. Ms. Glatt said that once a better cost estimate is available, a request would be submitted to the SBHE for Board Initiative or Contingency funding. **It was moved** by Clayburgh, seconded by Kunkel that the SBHE concur with the following SBHE BFC resolution. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

Direct the Chancellor to write a letter to the State Auditor's Office asking them to incur the same number of hours auditing the NDUS as they have before so that their billing will be reduced 400-500 hours so NDUS can pay for the outside consultant or expertise to prepare the NDUS consolidated statements, which have historically been included in the billing, and that copies of the letter be sent to Office of Management and Budget, Legislative Council, and the chair of the Legislative Audit and Fiscal Review Committee.

- ♦ reported the BFC reviewed and recommends approval of the request for allocation of: State Grants awards, \$48,000 from the Board Initiative Fund for articulation and transfer, and \$36,810 from the Board Initiative Fund for Project Vital Link.

Mr. Christianson reported that he made a campus visit to VCSU.

CHANCELLOR'S REPORT

Chancellor Isaak:

- ♦ reported the Budget Section met and approved moving forward with the Enterprise Resource Project (ERP) and approved the short-term financing proposal for ERP that Mr. Curt Wolfe, North Dakota Information Technology Department, presented to them. The 2003 Legislative Assembly will have to approve the issuance of revenue bonds for the completion of the project.
- ♦ approved a request from MiSU to offer the following programs through distance education through the North Dakota University System Online (NDUSO) on an ongoing basis:
 - Bachelor of Science in Management
 - Bachelor of Science in Management Information Systems
 - Bachelor of General Studies
- ♦ approved a request from UND to offer a Bachelor of Business Administration with a major in Information Systems through distance delivery
- ♦ approved a request from NDSCS to offer the following through distance delivery:
 - AAS in Electronics Technology
 - AAS in Practical Nursing
 - Certificate in Web Design
- ♦ an effort to recruit North Dakota students to go to North Dakota colleges has been named Project Vital Link. Information on what the NDUS can offer will be sent to sophomore, junior, and senior high school students. Admission officers have agreed to provide the

campuses and NDUS a list of the students in their region. These lists will be compiled to create one database for the State. The BFC reviewed the proposal and recommends SBHE approval of Board Initiative Funds for this project.

- presented the final tuition rates for 2002-2003.
- reported the next meeting of the Higher Education Roundtable is scheduled for June 12, 2002, in Bismarck.
- reported the NDUS will be hosting the name service for the new domain for Turtle Mountain Community College and potentially the other tribal colleges.
- reported that he, Mr. Dunn, campus presidents, and Governor Hoeven met with Senator Dorgan March 21, 2002. Senator Dorgan called the meeting to discuss ways to work together to fund research projects at the NDUS major universities, particularly on the combined strengths of UND and NDSU, to create a research corridor in the Red River Valley that creates partnerships with schools across the State. The goal of this proposal is to increase funding and to develop research to respond to industry and new jobs in North Dakota. Chancellor Isaak said the Governor supports this proposal. Senator Dorgan asked the NDUS Office and the Governor's Office to take the lead in developing a draft plan to coordinate these efforts. **It was moved** by Isaacson, seconded by Christianson, that the SBHE adopt a resolution strongly encouraging collaboration of research efforts of the two research universities and the other universities in order to enhance North Dakota's ability to attract federal research grants and programs to North Dakota for enhancement of the State's strengths; and to direct the NDUS staff to proceed with drafting a plan. Further, to acknowledge Senator Dorgan for the proposal he has offered. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.
- said he is drafting a letter to North Dakota's three congressional representatives stating his concerns on the Higher Education Reauthorization Act. The Federal government is discussing the possibility of implementing more higher education accountability standards. He said this will create additional federal regulations, costing the NDUS and the State more money. The NDUS already has measures in place. Chancellor Isaak will send a copy of the letter to the Board members.
- distributed a report prepared by the American Association of State Colleges and Universities on what is happening with tuition and budgets state-by-state.
- reported that he, Ms. Glatt, and Ms. Peggy Wipf, NDUS Director of Financial Aid, met with Mr. Eric Hardmeyer and Ms. Julie Kubisiak from the Bank of North Dakota (BND) and reported the NDUS relationship with the BND is very strong. Chancellor Isaak said he is concerned about the future of the student trust fund. The earnings for this fund come from the guaranteed student loan program. He said the 2001 legislature tapped this fund and that future uses of the fund should be used to support students.
- said the Higher Education Research Institute (HERI) Faculty Survey will again be conducted as part of accountability reporting and a report will be furnished to the Board at a later date.
- reported that either he or Dr. Hillman will meet with Mr. Henry Riegler, Council of College Faculties (CCF) president, in the near future to discuss how to improve communicating the SBHE agenda to all faculty using the web page.

STUDENT ASSOCIATION REPORT

Mr. Phil Leitner, President of the North Dakota Student Association (NDSA):

- said the NDSA discussed enhancing the recruiting efforts of North Dakota students and the NDSA is supportive of recruiting students in-state and out-of-state.
- indicated the next NDSA meeting will be April 19-20, 2002, at NDSCS. The main item for this meeting will be election of officers. Other discussion items will be ACT requirements and ERP.
- reported that students are concerned about the financial aspect of ERP. He said NDSA would like the SBHE to delay action on whether a fee will be implemented or if tuition will be increased to help fund ERP until after the next NDSA meeting so the students can form a formal opinion.
- presented the students perspective of the NDUS in 10 years.
- said the students are looking forward to improving relationships with Board members in the future.

COUNCIL OF COLLEGE FACULTIES REPORT

Mr. Grijalva:

- reported that the CCF met one time since the last SBHE meeting and discussed:
 - SBHE Policy 601.1 – Presidential Search Committees. The CCF requests the SBHE reconsider this policy in September 2002.
 - the joint meeting of the CCF and SBHE in March (discussed below).
 - NDUS budget issues including the Report on Employee Compensation, the Governor's budget guidelines, and ERP. He said generally CCF members support ERP.
 - CCF elections will be held in May 2002.

President Stroup and Mr. Grijalva discussed ideas from the March 2002 joint meeting of the CCF and the SBHE and ways in which the relationship between the SBHE and CCF can be improved and become more open. Some of these issues apply to the CCF, some to the SBHE, and some will be both groups' responsibilities.

- Appoint CCF liaisons to Board members.
- Define expectations and operational responsibilities (tasks) of CCF officers.
- Involve CCF in Board member orientation (needs to work both ways).

- How do both groups better use technology to “open” (streamline) communication (i.e. web site links, list serve).
- CCF should improve their written continuity (how we document processes).
- CCF should look at how they measure how they are doing (process review, how do we share feedback, methods of evaluation, “best practices,” etc.).
- SBHE: Continue our (both) excellent documentation of meeting results.
- CCF should identify which processes to institutionalize.
- How do we celebrate the successes of the partnership (with each other; how do we share with our constituencies)?
- Extend the “welcome wagon” both ways.
- Increase the frequency of face-to-face meetings.
- Consider the timing of when meetings are held (as it relates to the school year, term of office).
- CCF should share (communicate) its vision, goals, objectives, and agenda with SBHE members, so agendas can inter-mesh (relates also to timing of meetings).
- How could CCF become more responsive to issues (versus reactionary).
- CCF: Increase the involvement and participation of CCF members (better representation at meetings).
- Consider the timing of discussing and sharing information about issues between CCF and SBHE (i.e. as it relates to the school year, meeting schedules).
- How can we grow North Dakota? CCF needs to become engaged in this vision and use this opportunity to focus on the big picture.

President Stroup said the SBHE faculty representative and the CCF president will meet every other month with the SBHE president to discuss any issues that arise.

MAJOR POLICY ISSUES AND SPECIAL REPORTS

Enterprise Resource Project

Chancellor Isaak and Dr. Thigpen presented updated information on the Enterprise Resource Project (ERP). Chancellor Isaak read the following statement at the request of the Chancellor’s Cabinet for Board consideration.

In support of ERP, beginning with the fall of 2002, a new student fee be approved to generate sufficient revenue to recover the remaining estimated 2001-2003 biennium unfunded ERP costs of \$2.6 million. This fee would be equivalent to a \$42 tuition increase but the basis would be assessing a fee with the actual amount of the fee to be determined by the Cabinet. The need and the amount of the fee in future years will be dependant on the appropriation actions of the 2003 legislative assembly in support of this project.

Chancellor Isaak said for fall 2002, the Cabinet supports a fee “so that its purpose is clearly distinguishable from general tuition.” If the legislature funds some or all of the project in 2003, the fee can be eliminated or reduced.

Chancellor Isaak reported the SBHE BFC recommends using the \$250,000 that was allocated for the ODIN replacement project from the SBHE Initiative Fund for ERP and that a plan be drafted on how to replace the \$250,000 for ODIN.

Dr. Thigpen reported the ERP Executive Steering Committee also supports the recommendation for funding that Chancellor Isaak discussed. She said that staffing for ERP has been determined and MaSU and VCSU have been selected as the pilot sites for the NDUS. Dr. Thigpen indicated the management structure is in place on the NDUS side and a comparable management structure for the State side is being worked on.

President Stroup expressed concern that a board of directors for ERP is needed for decision-making and should be organized right away. President Thigpen responded that this type of structure has not been formalized, but the NDUS Executive Steering Committee and the group from the state side will have joint meetings to deal with issues on ERP that arise. Ms. Glatt said the Executive Steering Committee discussed an organizational structure and governance process for decision making during both implementation and the operation of ERP with Mr. Curt Wolfe, North Dakota Information Technology director. She indicated that Mr. Wolfe and Mr. Grant Crawford, NDUS chief information officer, would be presenting a proposed governance structure to the Executive Steering Committee April 23, 2002. **It was moved** by Christianson, seconded by Lee, to charge the NDUS staff to develop a governance format recommendation and bring it to the SBHE no later than June 2002. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

ERP implementation roles and responsibilities for the SBHE were presented. **It was moved** by Christianson, seconded by Lee, to adopt the SBHE roles and responsibilities for ERP implementation. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

It was moved by Kunkel, seconded by Lee, to adopt an ERP fee as designated in the Chancellor’s Cabinet recommendation. Mr. Chris Frost, vice president of NDSA, asked the SBHE to delay action on this item until the NDSA can develop a formal position at their meeting on April 19, 2002 on whether the charge should be assessed as part of tuition or a new fee. **It was moved** by Christianson, seconded by Clayburgh, that the motion be tabled until Thursday afternoon, April 25, 2002. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

It was moved by Christianson, seconded by Clayburgh, that a student charge will be put in place for funding ERP in the amount needed. There was extensive discussion on the estimated cash flow and Dr. Thigpen and Mr. Grant Crawford, NDUS chief information officer, responded to questions. Mr. Frost said the students do understand the need for ERP and support it. However, he said, the students believe that this is basic infrastructure and the State should fund this project

in 2003 and beyond. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

It was moved by Christianson, seconded by Lee, that \$250,000 previously allocated from the SBHE Initiative Fund for ODIN be reallocated to the ERP project as recommended by the SBHE BFC. President Stroup raised a question about assessing the Extension Service and Experiment Stations for part of the ERP costs. Chancellor Isaak said the BFC asked NDUS staff to research this possibility. Based upon their percentage of the total budget, Chancellor Isaak said their estimated portion of the costs in 2001-2003 would be between \$250,000-\$300,000. Ms. Glatt indicated that these entities would only use the finance and payroll components of ERP and not the student records system, which is the largest module of the project. She said the estimated figure does not take into account that they will only use two of the three major modules in the new system. Chancellor Isaak reported that Dr. Chapman suggests the SBHE do not assess extension and experiment because it would be an unexpected expense on their budget. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

It was moved by Clayburgh, seconded by Lee, that the SBHE consider requesting \$150,000 per year from extension and experiment in support of the ERP. There was discussion if charging extension and experiment would change the amount charged to students. Ms. Glatt said that it would not change the student assessment rate. She also said that unlike the campuses, extension and experiment would not be generating any new revenue so they will need to reallocate funds to pay the assessment. **It was moved** by Clayburgh, seconded by Caspers, to table the motion until June 2002. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

Stage I Program Requests

Dr. Hillman presented the following Stage I program requests, approved by the Chancellor, for comment by the SBHE before Stage II requests are developed. There were no comments.

- A Minor in Web Design at **North Dakota State University** to be delivered on ground, online, and over IVN.
- Certificates in Human Resource Management, Marketing, and Professional Money Management at **North Dakota State University** to be delivered on ground and online.
- A Minor in Information Systems at the **University of North Dakota** to be delivered on ground.
- A Graduate Certificate in Autistic Spectrum Disorder at the **University of North Dakota** to be delivered online, videotape, and on ground.
- A Minor in Chinese Studies: Culture and Business at the **University of North Dakota** to be delivered on ground and off campus/in person.

BOARD POLICY MANUAL REVISIONS

SBHE Policies

It was moved by Christianson, seconded by Lee, to adopt on second reading and final passage the following **SBHE Policies**. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried. Exhibit A.

- **409 – Degrees Offered**
- **603.3 – Nepotism**
- **610 – Oath for Teachers**
- **611.6 – Confidential Proprietary Information**
- **615 – Drug Free Workplace**

CONSENT AGENDAS

Academic Consent Agenda

It was moved by Christianson, seconded by Kunkel, to approve the following academic consent agenda items. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

- A Certificate Program and Associate in Applied Science Degree in Commercial Construction at **Bismarck State College**.
- A Master of Science with a Major in Biology and approval to terminate the Master of Science with a Major in General Science in Biology at **North Dakota State University**.
- A name change in the following major and department at **North Dakota State University**:
From: Hotel, Motel, Restaurant Management
To: Hospitality and Tourism Management
From: Department of Apparel, Textiles and Interior Design
To: Department of Apparel, Design, Facility and Hospitality Management
- Approve a new minor in Marketing Education at **Valley City State University**.

Election of Officers

Clayburgh nominated Stroup for president of the SBHE. **It was moved** by Christianson, seconded by Clayburgh, that nominations cease and a unanimous ballot be cast for Stroup for president of the SBHE for the period July 1, 2002, to June 30, 2003. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

Caspers nominated Kunkel for vice president of the SBHE. Isaacson nominated Clayburgh for vice president of the SBHE. Clayburgh withdrew her name from nominations. **It was moved** by Christianson, seconded by Clayburgh, that nominations cease and a unanimous ballot be cast for Kunkel for vice president of the SBHE for the period July 1, 2002 to June 30, 2003. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

President Stroup recognized Mr. Seaworth as the executive secretary to the SBHE.

MAJOR POLICY ISSUES AND SPECIAL REPORTS CONT.

System Expertise Database

It was moved by Clayburgh, seconded by Isaacson, that the SBHE pursue the establishment of a systemwide database, which would be an inventory of expertise available on all of our campuses and that this effort be funded by resources from the SBHE Initiative Fund and that the SBHE request matching funds from the North Dakota Department of Commerce. Mrs. Clayburgh went on to say, "In addition, if the Department of Commerce is amenable to sharing the cost, it could eventually lead to a director either within the NDUS or at cabinet level of State government." The database would be a collection of people with expertise in different areas on all NDUS campuses that would be available to everyone. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

Capital Assets Funding Model

Ms. Glatt presented the proposed new capital assets funding model. She indicated that the Cabinet supports this model and the SBHE BFC recommends SBHE approval. The adoption of this model will complete the development of a new funding model called for in the Roundtable Report. **It was moved** by Caspers, seconded by Clayburgh, to support the SBHE BFC's recommendation of the following Cabinet recommendations for the capital assets funding model. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

- Replace the current OMB building formula which is based on a 50-years sum-of-the-years digit method, with a building formula based on 2% of building replacement value for all buildings that are 5 years or older, and 0% for buildings less than 5 years old.
- Maintain current OMB infrastructure formula.
- Deferred maintenance be factored into the new capital assets funding formula along with the revised building formula and the current infrastructure formula.
- The use of the pool of dollars generated by this new combined formula be left to the discretion of the institution (with appropriate approvals by the SBHE where required for projects greater than \$100,000). Campuses would be given the authority to allocate dollars to repair and replacement priorities for both deferred maintenance and regular repair and replacement projects as determined by the campus.
- The SBHE continue the major capital project priority process for establishing funding priorities for major new construction and major renovation/remodeling projects.
- Phased-in capital assets funding model to reach full funding of the buildings and infrastructure formula over a ten-year period and to address the deferred maintenance backlog that currently exists over approximately a fourteen year period.
- Campuses be allowed to continue carrying over unspent capital asset funding from one biennium to the next in order to complete projects started in one biennium, but not

completed until the next; and/or to accumulate funds to complete large projects that require multi-year funding.

2003-2005 Biennial Budget Guidelines

Ms. Glatt presented the 2003-2005 needs-based and flat-based budget requests. She said the SBHE BFC reviewed these budgets at a meeting on April 10, 2002. The Committee suggests that a flat-based budget, per Governor Hoeven's request, be prepared and that campuses include continuation of 2002-2003 salary increases, 2003-2005 operating inflation, 2003-2005 employee health insurance increases, and a two percent annual average salary increase for employees in the 2003-2005 budget request. Ms. Glatt said the total estimated cost increase is \$34 million. If all of this estimated cost increase were covered by increases in tuition rates, rates could increase as much as \$425-\$430 per year. In response to a request from the BFC, Chancellor Isaak said the Cabinet discussed the flat-based budget and guidelines for preparing this budget request. The Cabinet recommendations are listed below.

- 1) First preference is that the campuses be given full discretion over identifying the balance of the estimated cost increases and how that would be funded through the distribution of costs between tuition, revenues, leveraging other revenues, and internal allocation.
- 2) If the SBHE wants parameters, the SBHE require that no less than 10% of the estimated cost increases of approximately \$34 million would come from sources identified by the campuses, which could include reallocation, additional tuition revenues resulting from increased enrollments, or other campus sources and that the remaining portion of the cost increase be through tuition rate increases.
- 3) In preparing the needs-based and the flat-based budgets, the campuses describe the impact of the budget plans on campus programs and services, student tuition, enrollment impact, and ability of the campuses to respond to the Roundtable expectations.

It was moved by Clayburgh, seconded by Lee, to authorize the campuses to prepare a flat-based budget that includes continuation of 2002-2003 salary increases, 2003-2005 operating inflation, 2003-2005 employee health insurance increases, and a two percent annual average salary increase for employees. In addition, campuses be given the flexibility to determine the funding sources needed to support these cost increases. Chancellor Isaak indicated the campus budget plans would be presented for SBHE review and approval in either June or July 2002. Clayburgh, Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

Ms. Glatt reported the BFC also recommends the SBHE submit a needs-based budget as required by the State constitution and presented a proposed needs-based budget for SBHE consideration, which includes a three percent per year average annual salary increase. She indicated that the proposed needs-based budget follows the long-term finance plan recommendations concerning parity and equity and the newly approved capital assets funding model. An additional \$78 million dollars will be needed from the general fund above the 2001-2003 appropriation to fund the needs-based budget request recommended by the BFC. **It was moved** by Clayburgh, seconded by Caspers, to approve the SBHE BFC's recommendation of the following 2003-2005 needs-based budget and guidelines. Ms. Glatt said the only flexible dollars in the needs-based budget that the campuses will have any discretion over would be the equity funding. If the

campuses get their share of the equity funding, they could use these dollars for salary increases, new programs, or other campus priorities. Clayburgh, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. Isaacson was absent. The motion carried. When Isaacson returned, he said that if he had been present for the vote, he would have voted aye.

2003-2005 Needs-based Budget Guideline			
Roundtable Cornerstone/ Recommendation	<u>SBHE Strategic Plan— Long Range Goals</u>	<u>Description</u>	RECOMMENDATION Increase Explanation
Funding and Rewards 1.a., 2.a.	Implement long-term finance plan-- base funding	<i>Parity funding: Support current 2002-03 operations and mandatory cost increases in 2003-05 for 11 campuses, and medical school.</i>	\$22.8 M 02-03 salary increases, and 03-05 operating inflation, 16% increase in NDUS employee health insurance and 3%/3% compensation increases for 03-05.
Funding and Rewards 1.a., 2.a.	Implement long-term finance plan— base funding	<i>Equity funding: Achieve peer benchmark targets as outlined in the long-term finance plan.</i>	\$32.0 M achieve 85% of peer benchmark in six years.
Funding and Rewards 2.c., 8.b, 14.	Implement long-term finance plan— capital asset funding	<i>Capital Asset funding: Provide funds for regular repair and replacement of buildings and infrastructure.</i>	\$10.3 M achieve 100% of new building and infrastructure formula over 10 years, and address deferred maintenance over 14 years. Also, funding of 03-05 special assessments. Total 03-05 request of \$17.6 million.
Funding and Rewards 2.c., 8.b, 8. c, 14.	Implement long-term finance plan— capital asset funding	<i>Major capital projects: Funding for major new construction and renovation projects.</i>	Amount undetermined SBHE will finalize major capital project priority list in June 2002.
Funding and Rewards 2.b., 7.b.	Implement long-term finance plan— state priorities	<i>SBHE Block Grant funding: Funding distributed by SBHE to support state and system priorities, including access, quality, collaboration, and responsiveness.</i>	\$1.8 M achieve an amount equal to two percent of the NDUS general fund appropriation over six years Total 03-05 request of \$3.5 million.

2003-2005 Needs-based Budget Guideline

Roundtable Cornerstone/ Recommendation	<u>SBHE Strategic Plan— Long Range Goals</u>	<u>Description</u>	RECOMMENDATION Increase <i>Explanation</i>
Funding and Rewards 7.b	Implement long-term finance plan— emergencies	<i>Contingency and Capital Improvements Emergency Block Grant: Funding distributed by the SBHE to respond to unexpected emergencies and opportunities, not anticipated in the biennial budget request.</i>	\$17,200 5% increase over 01-03 approp. Total 2003-05 request of \$361,525. This amount is equal to 0.10% of the total biennial state general fund appropriation for the NDUS (excluding related entities).
Funding and Rewards 1.a., 2.a.	Implement long-term finance plan— base funding	<i>01-03 Deficiency approp.: Funding to cover flood related costs at UND and NDSU.</i>	\$4.2 M 10% state match, interest costs on BND loan, and other FEMA ineligible costs. (Amount may vary depending on insurance settlements). Final request is subject to the Chancellor's review and approval.
Accessible System 1, 2, 3, 5	Develop a delivery system capable of making the capacities of the NDUS accessible to all of ND	<i>NDUS-O: Funding for base operations(staff and operating) and initiative funding to support distance education delivery.</i>	\$80,350 5% increase over 02-03 level. Total 03-05 request of \$578,550. Base = \$250,950 Initiatives = \$327,600 Total = \$578,550 Provides enhanced investment in underwriting the development of on-line collaborative degrees including two-year, four-year and graduate.
Accessible System 8; Funding & Rewards 1.a.	Develop a delivery system capable of making the capacities of the NDUS accessible to all of ND	<i>State Grant Program: \$600 per year grant to students demonstrating financial need (Assumes no Minnesota reciprocity or federal fund revenues in 03-05.)</i>	\$508,585 Maintain funding at 02-03 general fund level. Total 03-05 request of \$3,238,800. 2,700 grants per year

2003-2005 Needs-based Budget Guideline

Roundtable Cornerstone/ Recommendation	<u>SBHE Strategic Plan— Long Range Goals</u>	<u>Description</u>	RECOMMENDATION Increase <i>Explanation</i>
Educational Excellence A. 1.; Economic Development 15.	Develop a delivery system capable of making the capacities of the NDUS accessible to all of ND. Develop a University System that has intellectual capacity and programs aligned with the needs of the state.	<i>Scholar’s Program: Tuition scholarship to encourage the “best and brightest” students to remain in the state.. (Assumes no Minnesota reciprocity revenue in 03-05.)</i>	\$213,700 Maintain funding at 02-03 level. Total 03-05 request of \$1,030,100. 47 new slots per year and continuation of upperclassmen
Educational Excellence A. 1. and D.2.; Accessible System 4.; Economic Development 7.	Develop a delivery system capable of making the capacities of the NDUS accessible to all of ND.	<i>ND Indian Scholarship Program: Grant ranging from \$700 to \$2,000 per year based on scholastic ability and financial need for Native American students.</i>	\$19,900 10% increase over 02-03 level. Total 03-05 request of \$224,000. 160 new grants per year
Educational Excellence A. 1.; Accessible System 2.,3	Develop a delivery system capable of making the capacities of the NDUS accessible to all of ND.	<i>Professional Student Exchange Program: Provides programmatic access to ND students in veterinary medicine, dentistry and optometry at out-of-state institutions. (Veterinary medicine and dentistry access available through the Minnesota reciprocity agreement)</i>	\$288,800 Maintain funding at 02-03 level. Total 03-05 request of \$1,967,100. New slots per year: vet med=5 (MN=AY02 6 dentistry=6-7 (MN=AY02 27) optometry=6-7 continuation of upperclassmen
Educational Excellence A. 1.; Educational Excellence B. 10., D. 3; Accessible System 3.	Develop a delivery system capable of making the capacities of the NDUS accessible to all of ND. Develop a University System that has intellectual capacity and programs aligned with the needs of the state.	<i>Teacher Shortage Loan Forgiveness Program: Student loan forgiveness for those who teach in K-12 grade or content shortage areas. Award is up to \$1,000 per student for up to five years.</i>	\$82,000 Maintain funding for continuation of 83 current program cohorts; no new awards in 2003-05. Total 03-05 request of \$332,000.

2003-2005 Needs-based Budget Guideline

Roundtable Cornerstone/ Recommendation	<u>SBHE Strategic Plan— Long Range Goals</u>	<u>Description</u>	RECOMMENDATION Increase <i>Explanation</i>
Economic Development 1., 3.; Educational Excellence A. 1., A. 3.	Develop a delivery system capable of making the capacities of the NDUS accessible to all of ND. Develop a University System that has intellectual capacity and programs aligned with the needs of the state.	<i>Technology Occupations Student Loan Program: Reduce student loan debt by \$1,000 per year up to 5 years for those who graduated in technology related field, completed an internship with a ND business and have been employed in a technology occupation in ND for one year.</i>	\$132,000 Maintain funding for continuation of 133 current program cohorts; no new awards in 2003-05. Total 03-05 request of \$532,000.
Educational Excellence A. 5., D. 3.; Accessible System 3.	Develop a delivery system capable of making the capacities of the NDUS accessible to all of ND. Develop a University System that has intellectual capacity and programs aligned with the needs of the state.	<i>Teacher Retraining Scholarship Program: Reimburse elementary and secondary interim emergency license holders for tuition and fees related to completing courses required for full teaching licensure. Provides \$2,000 scholarship for up to 2 terms if student carries 12 or more undergraduate or 9 or more graduate credits.</i>	\$40,000 Maintain funding at 02-03 level. Sustain current annual scholarship funding of \$40,000 per year for current cohort. No new scholarships in 2003-05. Total 03-05 request \$160,000.
Economic Development 3., 10.; Educational Excellence A.1.	Develop a University System that has intellectual capacity and programs aligned with the needs of the state.	<i>Increase Number of Doctoral Graduates: Funds distributed equally to UND and NDSU to enhance graduate student stipends to better recruit graduate students.</i>	\$15,000 Total 03-05 request of \$75,000. \$37,500 distributed evenly to UND and NDSU.
Accessible System 2.	Develop a delivery system capable of making the capacities of the NDUS accessible to all of ND.	<i>Disabled Student Services: Provides funding to campuses to cover unplanned costs for adaptive learning services and equipment for disabled students. Approximately 900 disabled students per year are provided services by the NDUS.</i>	\$51,560 100% increase over 01-03 appropriation level. Total 03-05 request of \$103,120. Supports 51 students per year at average of \$2,000 per student.

2003-2005 Needs-based Budget Guideline

Roundtable Cornerstone/ Recommendation	<u>SBHE Strategic Plan— Long Range Goals</u>	<u>Description</u>	RECOMMENDATION Increase Explanation
Economic Development 1., 10., 14., 15.; Educational Excellence C. 2., C. 3., C. 5.	Develop a University System that has intellectual capacity and programs aligned with the needs of the state.	<i>EPSCoR: Federal matching funds to expand the state's science and technology capacity.</i>	\$200,000 5% increase over 01-03 appropriation. Total 03-05 request of \$4,200,000. Will generate an estimated \$9.4 million in federal and private funds.
Educational Excellence B.2.	Develop a University System that has intellectual capacity and programs aligned with the needs of the state.	Title II: Federal funds to improve the quality of match and science in the US.	\$0 Maintain funding at 01-03 approp. of \$534,000. No increase in federal funds anticipated.
Economic Development 5. 8; Educational Excellence B. 11, B. 12; Flexible and Responsive B. 1., B. 2.; Accessible System 10.	Develop a delivery system capable of making the capacities of the NDUS accessible to all of ND. Develop a University System that has intellectual capacity and programs aligned with the needs of the state.	Technology Block Grant: Provides funding for collaborative information technology services including HECN (academic and administrative computing services), IVN (video networking to support higher education, K-12 and state government), and ODIN (automated library network supporting higher education, K-12 and other public and private libraries); and UND and NDSU computer center services.	\$2,050,000 Maintain at 02-03 level, including increased software maintenance costs. Also includes expected network growth of \$400,000. Network growth beyond this level would be assessed to the campuses; PLUS \$850,000 to cover unfunded balance of ODIN software replacement. Merge Information Technology Management line item of \$216,676 into technology pool
Accessible System 10.	Develop a delivery system capable of making the capacities of the NDUS accessible to all of ND. Develop a University System that has intellectual capacity and programs aligned with the needs of the state.	<i>ERP: Funding to support software, consulting, and implementation costs of new administrative software system.</i>	\$3.2 million Funding needed to cover the NDUS implementation costs including position backfill, compensation, training, implementation site costs, customization and hosting in 03-05.

2003-2005 Needs-based Budget Guideline			
Roundtable Cornerstone/ Recommendation	<u>SBHE Strategic Plan— Long Range Goals</u>	Description	RECOMMENDATION Increase Explanation
Funding and Rewards 2.c., 8.b, 8. c, 14.	Implement long-term finance plan— capital asset funding	Capital Bond Payments: State general fund appropriation for repayment of general obligation bonds for major capital projects.	N/A \$11.3 million needed to support 03-05 bond principal and interest payments on state general fund bond obligations.
Funding and Rewards 1.a., 2.a.	Implement long-term finance plan-- base funding	<i>NDUS Office Budget: Funding to support SBHE and staff, including salaries, operating, equipment and regional consortium dues.</i>	\$16,000 Increase to cover WICHE/MHEC dues increase. Total 03-05 request of \$4,054,302 for NDUS office. Also, merge College Technical Administration line item of \$194,788 into NDUS Office budget.
		TOTAL	\$78,015,095

2003-05 Needs-Based Biennial Budget Guidelines

Campus Operating Budgets

Background

The long-term financing plan, adopted by the SBHE in November 2001, included the following funding goals related to campus operating budgets:

1. Funding of institutions reflect a shared responsibility among the various stakeholders. Targets to be used in determining state general fund budget requests (and legislative appropriations) are as follows:

	% state	% student
UND/NDSU	60	40
MiSU	65	35
MaSU/VCSU/DSU	70	30
Two-year	75	25

Budget requests (and legislative appropriations) be developed to first move all institutions, currently below 85% of their peer benchmark to 85% within six years, and next to move all campuses below 95% of their peer benchmark to 95% in twelve years.

2. Base funding requests (and legislative appropriations) be based on the following:
 - a. Base funding continue to be provided to all 11 institutions; and also include biennial operating fund increases to address parity.
 - b. Current general fund appropriations not be reallocated among campuses.

- c. A portion of increased state general fund appropriations be allocated on a biennial basis, both to parity and to resolve equity differentials. Funding parity is the first priority. However, no more than 80% of all new funding should be allocated to parity and no less than 20% of new funds be allocated to equity.
 - d. Equity funds be distributed based on a weighted average of each campuses gap differential to their peers and the agreed upon phased approach to reaching the benchmark targets (i.e., 85% in six years).
 - e. State general fund appropriations not be reduced for any campus from the previous biennium, until such time that the campus exceeds 105% of their peer benchmark or enrollment declines are significant enough to cause a re-evaluation of the peer institutions and establishment of a new peer benchmark.
3. The SBHE continue to approve the base tuition rate at each campus; however, institutions should be given the discretion in establishing additional tuition rate charges for targeted programs and discounting policies.
 4. The operating benchmarks (combined state appropriation and net tuition revenues) for each institution to be used to develop biennial budget requests (and final legislative appropriations) are as follows.

UND, including Medical School	\$13,250
NDSU, excluding Ag Extension and Experiment	\$10,500
DSU	\$ 7,500
MaSU	\$ 9,000
MiSU	\$ 8,500
VCSU	\$ 9,000
BSC	\$ 7,750
MiSU-BC	\$ 9,000
NDSCS	\$ 8,500
LRSC	\$ 9,250
WSC	\$ 7,500

Recommendation:

1. Campuses receive no less than the current 01-03 adjusted state operating budget appropriation.
2. Utilize adjusted peer benchmark revenues per FTE student consistent with the finance plan as follows: *“The benchmarks be established using the most recently available national Integrated Postsecondary Education Data Systems (IPEDS) data and reestablished, at a minimum, every six years. In the intervening years, the benchmark numbers should be adjusted by a percentage amount equivalent to the changes in the National Consumer Price Index (CPI).”*

UND, including Medical School	\$14,754
NDSU, excluding Ag Extension and Experiment	\$11,692
DSU	\$ 8,351
MaSU	\$10,022
MiSU	\$ 9,465
VCSU	\$ 10,022
BSC	\$ 8,630
MiSU-BC	\$10,022

NDSCS	\$ 9,465
LRSC	\$10,300
WSC	\$ 8,351

3. Request biennial equity funding needed to achieve 85% of the peer benchmark within six years. *(Estimated cost = \$32 million)*

4. Parity adjustments include a.) cost to continue 2002-03 salary increases; b.) operating inflation of 2.5% per year; c.) estimated health insurance increase for 2003-05 of approximately 17%; d.) an average salary increase of three percent per year for all NDUS employees. Parity percentages for each campus as follows:

NDSU, excluding Ag Extension and Experiment	7.81%
UND, including Medical School	7.07%
DSU	7.52%
MaSU	6.81%
MiSU	6.90%
VCSU	6.87%
BSC	8.17%
MiSU-BC	7.33%
NDSCS	7.30%
LRSC	6.94%
WSC	7.81%

(Estimated cost = \$22 million)

5. Funding of institutions reflect a shared responsibility among the various stakeholders. The 03-05 state general fund budget request be based on the following shares:

	% state	% student
UND/NDSU	60	40
MiSU	65	35
MaSU/VCSU/DSU	70	30
Two-year	75	25

6. 03-05 requests for systemwide projects/activities contained as recommended by the SBHE Budget and Finance Committee in Attachment 1.

7. OMB use Fall 2002 updated enrollment figures in the preparation of the Executive Budget recommendation.

Experiment Stations, Extension Service, Upper Great Plains Transportation Institute, Northern Crops Institute, and Agronomy Seed Farm

Background

NDCC 4-05.1-19 states: “State board of agricultural research and education-Duties. Within the policies of the state board of higher education, the state board of agricultural research and education is responsible for budgeting and policymaking associated with the agricultural experiment station and the North Dakota state university extension service. The board of agricultural research and education shall:

“Develop a biennial budget request and submit that request to the president of North Dakota state university and the state board of higher education.”

The State Board of Agricultural Research and Education (SBARE) has already had several meetings to discuss budget priorities, including consultation with producer groups. They are in the process of establishing a set of programmatic budget priorities. The number (and dollar amount) of program priorities to be included in the biennial budget request will be dependent on the budget guidelines set by the SBHE and review and approval of the NDSU President.

Recommendation:

Consistent with the new funding request level established for the eleven campuses for the base operating budget, it is recommended that the Experiment Stations, Extension Service, Upper Great Plains Transportation Institute, Northern Crops Institute and Agronomy Seed Farm request no more than a 12 % general fund increase in base operating dollars in 2003-05. In addition, these entities would be eligible for the same level of compensation adjustments as recommended by the SBHE for all NDUS employees, full funding of all benefits cost increases to maintain the same level of employee benefits and capital assets funding consistent with the new capital assets funding model.

State Forest Service

Recommendation:

Consistent with the new funding request level established for the eleven campuses for the base operating budget, it is recommended that the State Forest Service request no more than a 12 % (approximately \$215,000) general fund increase in base operating dollars in 2003-05. In addition, the Forest Service would be eligible for the same level of compensation adjustments as recommended by the SBHE for all NDUS employees, full funding of all benefits cost increases to maintain the same level of employee benefits and capital assets funding consistent with the new capital assets funding model.

Tuition Increases

The needs-based budget request also assumes an annual tuition increase of \$135-140 per year to support increased operational costs in 03-05 in functions and activities that are supported with tuition dollars. This is consistent with the state/student shares outlined in the NDUS Long-Term Finance Plan adopted by the SBHE in November 2001. This plan suggested that students would bear anywhere from 25%-40% of the cost.

Major Capital Project Requests

Ms. Glatt distributed:

- a summary of outstanding deferred maintenance for the NDUS. The estimated amount as of March 2002 for State funded buildings is \$80,523,775 and non-state funded buildings is \$60,046,126.
- a list of campus major capital project requests from 2003-2005 up to the 2009+ biennia for the Board members information.
- a worksheet for the Board members to use in ranking the project requests based on SBHE criteria outlined in SBHE Policy 902.1 - Construction Process-Legislative Approval; List of Funding Requests. Board member rankings will be compiled and used in establishing a priority ranking to be presented to the SBHE in June 2002 for approval.

Ms. Glatt indicated that the SBHE BFC was adamant that the campuses follow and that the Board rank the projects based on the criteria stated in SBHE Policy 902.1.

Campus representatives presented their major capital project requests for 2003-2005, which are listed below in priority order per campus.

Campus	Project Type	Project Description	State Funds	Other Funds	Total Cost
BSC	New Construction	Career & Technology Institute	\$1,500,000	\$6,800,000	\$8,300,000
	Addition/Renovation	Vocational/Technical Center Expansion & Renovation	\$3,000,000	\$6,000,000	\$9,000,000
	New Construction	Student Apartments		\$1,785,000	\$1,785,000
LRSC	Addition/Renovation	Science Lecture Bowl & Laboratories	\$1,187,500		\$1,187,500
	Renovation	North Hall Residence Hall Renovation		\$375,000	\$375,000
NDSU	Renovation	Horton Hall Remodel	\$3,845,380		\$3,845,380
	Renovation	Steam Line Replacement Phase III	\$1,482,120		\$1,482,120
	Addition/Renovation	Student Union Remodeling/Addition		\$3,300,000	\$3,300,000
	Addition	Bilkre Activities Center Addition		\$368,920	\$368,920
MaSU	Renovation	Steam Line Replacement Phase II	\$1,355,000		\$1,355,000
	Addition/Renovation	West Hall Remodel and Accessibility	\$450,000	\$50,000	\$500,000
	Addition/Renovation	Fieldhouse Renovation & Addition		\$4,000,000	\$4,000,000
	Renovation	East Hall Remodel		\$150,000	\$150,000
MiSU	Addition/Renovation	Swain Hall	\$1,590,000		\$1,590,000
	Renovation	Student Union ballroom/west wing Remodel	\$335,000	\$335,000	\$670,000
VCSU	Renovation	Graichen Gymnasium elevator & emergency exits	\$600,000		\$600,000
	Renovation	Replace bleachers-W.E. Osmon Bldg.	\$265,000		\$265,000
MiSU-BC	Addition	Thatcher Addition/Old Main Replacement	\$2,818,000		\$2,818,000
	Renovation	Thatcher 2 nd Floor HVAC	\$117,000		\$117,000
Forest Service	New Construction	Equipment/Supply Storage Building (Towner)	\$90,000		\$90,000
	Addition	Equipment/Supply Storage-Bottineau	\$25,000		\$25,000

Mrs. Clayburgh left the meeting during the presentations of major capital project requests. Due to lack of time UND, NDSU, DSU, and WSC will present their major capital project requests during a Board conference call Thursday, April 25, 2002.

CONSENT AGENDAS CONT.

Academic Consent Agenda cont.

There was discussion on the lengthy tenure process and Isaacson recommended having an informal reception for tenure candidates when the SBHE approves their tenure. **It was moved** by Caspers, seconded by Kunkel, to approve the following academic consent agenda items. Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

- Tenure report
- Tenure requests

Bismarck State College

Kenneth D. LaMont, Assistant Professor of Hotel-Restaurant Management

Ronald Jyring, Assistant Professor of Biology

Dickinson State University

Dr. Ken Pierce, Associate Professor of Chemistry

Dr. Graham Knude Swensen, Associate Professor of Business

Lake Region State College

LoAnn Nelson, Instructor, Business Division

Mayville State University

Dr. Laurie Berry, Assistant Professor of Education

Minot State University-Bottineau Campus

Robert Underwood, Instructor, Urban Forestry

Minot State University

Lanette Dalley, Assistant Professor, Criminal Justice Department

Dr. Paul Market, Association, Addiction Studies, Psychology & Social Work

Dr. Neil Nordquist, Assistant Chair, Teacher Education and Human Performance

Ms. Judith Swanson, Assistant, Nursing

John Webster, Assistant Professor, Science Division

North Dakota State College of Science

Wade King, Assistant Professor, English & Humanities

Barbara Lacher, Assistant Professor, Pharmacy Technician

Virginia Makepeace, Assistant Professor, Math and Science

Gerilyn Matejcek, Assistant Professor, Office Administration-Health Information Technician

David Eliason, Assistant Professor, Diesel Technology

Brian Rempfer, Assistant Professor, Automotive Technology

Rand Stach, Assistant Professor, Architectural Drafting & Estimating Technology

North Dakota State University

Marc Bauer, Assistant Professor, Animal and Range Sciences

Neil Dyer, Assistant Professor, Veterinary & Microbiological Sciences

Kimble Bromley, Associate Professor, Fine Arts

Ann Burnett, Associate Professor, Communication

Lori Horvik, Assistant Professor, Fine Arts

Gerritdina Justiz, Assistant Professor, History

Charles Okigbo, Associate Professor, Communication

Thomas Buckhoff, Assistant Professor, Accounting and Information Systems

Dinesh Katti, Associate Professor, Civil Engineering and Construction

Ganapathy Mahalingham, Assistant Professor, Architecture and Landscape Architecture

Joshua Walter, Assistant Professor, Architecture and Landscape Architecture

John Wagner, Assistant Professor, Pharmaceutical Sciences
Andres Campiglia, Assistant Professor, Chemistry
Gregory Cook, Assistant Professor, Chemistry
James Coykendall, Assistant Professor, Mathematics
Tuval Foguel, Assistant Professor, Mathematics
Sanku Mallik, Assistant Professor, Chemistry

University of North Dakota

Anthony J. Borgerding, Assistant Professor, Chemistry
Holly Brown-Borg, Assistant Professor, Pharmacology, Physiology & Therapeutics
Sherrie Fleshman, Assistant Professor, Languages
Ahmad Ghassemi, Assistant Professor, Geology & Geological Engineering
Loretta Heuer, Assistant Professor, Nursing
Gene Homandberg, Professor, Biochemistry & Molecular Biology
Terry Huffman, Assistant Professor, Sociology
Steven Kraft, Assistant Professor, Social Work
Debra Maury, Assistant Professor, Languages
Kimberly Porter, Assistant Professor, History
Sandra Short, Assistant Professor, Physical Education & Exercise Science
Raymond Smego, Professor, Internal Medicine
Roxanne Vaughan, Assistant Professor, Biochemistry & Molecular Biology
Mary Wakefield, Professor, Family Medicine
Jeffrey Weatherly, Assistant Professor, Psychology
Margaret Zidon, Assistant Professor, Teaching & Learning

Valley City State University

Alice B. Klingenstein, Assistant Professor, Division of Fine Arts
Dr. Mary Margaret Dahlberg, Associate Professor, Division of communication Arts and Social Science
Dr. Andre DeLorme, Associate Professor/ Division of Mathematics and Science
Dr. Martin Kelly, Associate Professor/Division of Communication Arts and Social Science

Williston State College

Pat Wilson, Instructor, English
Jeffrey Fjelstad, Instructor, Diesel Tech
Wendy Peters, Instructor, Physical Therapy Assistant

Financial and Facility Consent Agenda

It was moved by Kunkel, seconded by Lee, to approve the following financial and facility consent agenda items. Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

- For academic year 2002-2003, no less than 20% of State Grant funds be allocated to students at private institutions, 76-78% to the state institutions, and 3-4% to the tribal colleges and that the State Grant award remain at \$600.
- A permanent transfer of an additional \$48,000 from the Board Initiative Fund to NDSCS in support of the Articulation and Transfer Program.
- A permanent allocation of \$36,810 from the Board Initiative Fund for Project Vital Link.
- Permit **Williston State College** to seek Budget Section authorization to increase spending for the Health Science & Sports Complex project from \$5,250,000 to \$5,750,000 per NDCC

section 48-02-20. Source of funds: State funds \$1,500,000; fund raising \$3,000,000; student fees \$450,000; auxiliary service income \$300,000.

- A \$100 per semester program fee to be assessed to each candidate admitted to the Teacher Education Program at the **University of North Dakota** effective fall 2002.

Personnel Consent Agenda

It was moved by Caspers, seconded by Christianson, to approve the following personnel consent agenda items. Isaacson, Kunkel, Christianson, Lee, Caspers, and Stroup voted aye. The motion carried.

- Appoint Vernon Mayer and Ed Goerger to the State Board of Agriculture Research and Education (SBARE).
- Update pay ranges in the NDUS salary broadband.
- Approve an honorary degree at **Minot State University** for Ruth Hoffman.
- Approve an honorary degree at **North Dakota State College of Science** for Mildred Johnson.

MAJOR POLICY ISSUES AND SPECIAL REPORTS

Success in the New Century

Mr. Tom Triplett, chair of the Success Consultant Team, provided an update on the project. He said the team is 75% done with their research and have five to seven dozen recommendations, most of which are recommendations to the president of MaSU and VCSU. A final report will be presented to the SBHE in the near future.

Mr. Triplett shared recommendations, for Board consideration:

Recommendations relating to MaSU and VCSU:

- The joint presidency be dissolved with Dr. Chaffee remaining as president of one of these campuses.
- MaSU and VCSU remain as four-year institutions with separate presidents. Three reasons for this recommendation:
 1. Being a campus president is complex and too difficult for one person to do on two campuses.
 2. More needs to be done in private fundraising. Mr. Triplett said these could relate to all eleven institutions.
 3. The two institutions need a curricular differentiation, which will lessen the similarities between the two campuses and make a joint presidency more difficult.

Recommendations for all campuses in the NDUS:

- Eliminate competition between campuses and encourage collaboration. Market North Dakota for their outstanding education and recruit students as a system effort, not as individual campus efforts.
- To save money at the campus level, services such as payroll, accounting, registration, and course scheduling could be shared by the campuses and done at a central location, either at the system office or at one or more campuses. The campuses could be charged for the services provided to them.
- In the financial area:
 1. Consider a significant tuition increase and at the same time, provide additional resources for financial aid for those students who cannot afford it.
 2. Increase private fundraising.
 3. Provide resources to the institutions to “jump start” these ideas.

President Stroup said the final report and recommendations of the Success Consultant Team recommendations will be discussed at the June 2002 SBHE meeting.

Mr. Caspers and Dr. Kunkel left the meeting during this report.

CAMPUS REPORTS AND WOWS

There were no campus reports.

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENTS

The State Board of Higher Education will meet via conference call Thursday, April 25, 2002. The next regular meeting of the State Board of Higher Education will be held at Minot State University on June 20-21, 2002.

REVIEW OF BOARD MEETING

There was no review of the Board meeting.

The meeting adjourned at 5:00 p.m. MT.