

**ND STATE BOARD OF HIGHER EDUCATION**

Minutes—July 18-19, 2002

Bismarck, ND

The State Board of Higher Education met July 18-19, 2002, at Ducks Unlimited. The Board president called the meeting to order July 18, 2002, at 9:30 a.m. Members present:

Mr. Chuck Stroup, President	Mr. Ralph Kingsbury
Dr. Richard Kunkel, Vice President	Mrs. Sue Andrews
Mrs. Bev Clayburgh	Mr. Bruce Christianson
Mr. Craig Caspers	Mr. James Grijalva, Faculty Advisor

Members absent:

Mr. Josh Askvig

Presidents and Executive Deans present:

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

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

Mr. Joe Satrom, Ducks Unlimited, welcomed the SBHE and the Chancellor's Cabinet to Ducks Unlimited for the SBHE retreat.

**SBHE Retreat**

President Stroup thanked Mr. Roger Reiersen, Flint Communications, for agreeing to facilitate the SBHE retreat.

Prior to the SBHE retreat, a survey was distributed to Board and Cabinet members. Mr. Reiersen provided a summary of the responses to the survey:

*In your opinion, what are the most important Roundtable recommendations (from May 25, 2000, Roundtable Report and/or June 12, 2002, Roundtable meeting) on which the SBHE should focus during the next year?*

- *Relationships/collaboration*
- *Entrepreneurship*
- *Economic development and relationship with the Department of Commerce*
- *Resources*
- *Accessibility*
- *Leadership*
- *Marketing efforts*
- *Accountability*
- *Educational excellence*

*What should the SBHE and campuses do to best implement the Roundtable recommendations you have listed?*

- *Foster culture*
- *Continue to sell vision*
- *Do a better job of demonstrating the results*
- *Seek win/win partnerships*
- *Accessibility—get everyone on the same page*

*Beyond, or in addition to the Roundtable Report, what are the most important issues, challenges, or opportunities on which the SBHE should focus (or continue to focus) during the next year?*

- *Population—what role to play in the growth of population, how to define that role, what are the action steps*
- *Private sector relationships*
- *Accepting responsibility*
- *K-12 collaboration*
- *Define the roles of the SBHE, system staff, and campuses*
- *Staying focused*

*What needs to occur for you to consider this retreat a success?*

- *Review cornerstones and build program for the coming year*
- *Need to get consensus and definition of terms in the Roundtable Report*
- *Discuss and define actions on the issues and challenges facing us*
- *Roles and responsibilities of SBHE, Cabinet, and system staff*
- *Build trust—for each other and then expend on partnerships/relationships*

The NDUS mission, vision, beliefs, and core values were reviewed and discussed as well as the *Roundtable Report*. There was discussion on the progress and changes the NDUS has made

since the original Roundtable meeting, critical factors for success and what is expected of the NDUS in the future.

Mr. Reiersen formed breakout sessions throughout the retreat for discussions on the following issues. Members of each breakout group shared their lists of ideas for full group discussion.

- core values
- legislative issues facing the NDUS
- availability/possibility of new resources
- relationships/strategic partnerships
- policies and procedures
- accessibility
- marketing

Mr. Reiersen also arranged for breakout sessions for the three groups represented at the retreat: the SBHE, presidents, and NDUS staff. The purpose of the breakout sessions was to discuss the respective roles and responsibilities, as they pertain to the NDUS mission, and how these roles and responsibilities relate to the other two groups.

In concluding, Mr. Reiersen said, “This is one of the strongest directional groups I have been involved in.” He complimented the Cabinet members on the respect and leadership they have gained across the State in the last few years. Mr. Reiersen said the SBHE and Chancellor’s Cabinet need to think about the roles of the campuses in their communities and across the state, the roles of the presidents, and, how to help the presidents to help North Dakota grow and prosper.

## **Business Meeting**

### Allotment Request

President Stroup reported that the SBHE Budget and Finance Committee (BFC) reviewed the requested 2001-2003 state general fund allotment of 1.05%. The allotment request, from Governor Hoeven, is in response to a predicted revenue shortfall and all state agencies with general fund appropriations are being asked to reduce those appropriations by 1.05%. Ms. Glatt reviewed a spreadsheet listing the amount of reduction that each campus and related entity is being asked to take. This totals \$4,396,316 for the NDUS.

Ms. Glatt said, however, she was recently informed that, of the \$11,261,502 appropriation in the System office budget for 2001-2003 capital bond payments on general fund debt, the NDUS would only need approximately \$10 million this biennium to meet the capital bond payments. As a result, there is a savings of \$1,043,831 in the capital bond fund. The Office of Management and Budget (OMB) informed Ms. Glatt that this \$1 million could be used towards the \$4,396,316 allotment for those entities in SB2003. Ms. Glatt reviewed the proposed distribution of the \$1,043,831.

**It was moved** by Christianson, seconded by Clayburgh, to approve the BFC recommendation that the SBHE honor Governor Hoeven’s request for an allotment of 1.05% of 2001-2003

general fund appropriations as outlined in column 6 on attachment 1 and as amended by the amounts outlined on attachment 2 as it relates to the use of the capital bond payment savings (Exhibit A); further, that the SBHE approve the final allotment plans at its September 2002 meeting. Mr. Christianson explained that OMB has asked for a line-item breakdown by July 26, 2002, for each campus and related entities; thus, adjustments may have to be made after this date contingent on SBHE final approval in September.

**It was moved** by Kingsbury, seconded by Andrews, to amend the motion to delete the second clause of the motion in reference to SBHE final approval in September. Andrews, Caspers, Clayburgh, Christianson, Kingsbury, Kunkel, and Stroup voted aye. The amendment carried.

On the amended motion, Andrews, Caspers, Clayburgh, Christianson, Kingsbury, Kunkel, and Stroup voted aye. The amended motion carried.

#### Hold-even and Needs-based Budget Requests

President Stroup reported that the BFC reviewed the 2003-2005 hold-even and needs-based budget requests and briefed the SBHE on the BFC recommendations. **It was moved** by Christianson, seconded by Kunkel, to approve the BFC recommendation that the SBHE approve the hold-even, 95% and needs-based budgets submitted by the campuses, NDUS office, Forest Service, UND School of Medicine and Health Sciences, Extension Service, and Experiment Stations as amended for the NDUS office budget as noted on attachment 1 (Exhibit B); also, that the following message be forwarded to the Governor and Legislative Assembly along with the budget submittal:

*The predicted impacts of reallocation and tuition increases will change as circumstances change. For example, the 1.05% allotment was made after the budget requests were prepared. The SBHE granted broad flexibility to the campuses to propose how they would fund salary increases and inflationary costs if state general fund appropriations did not change during the 2003-05 biennium. The final decision by the SBHE on reallocation and tuition rates will be made by the SBHE in the spring of 2003, once the legislature has completed action on the 2003-05 appropriations.*

*The SBHE **strongly** recommends that when setting the 2003-05 general fund appropriations, the governor and legislative assembly use the long-term financing plan and resource allocation model developed by the SBHE and as reviewed with the interim committee on higher education.*

*The SBHE also **strongly** recommends that the governor recommend and legislative assembly re-enact the flexible budget legislation enacted by the 2001 legislature. The board believes such flexibility and incentives will be needed even more during the 2003-05 biennium because of the state general fund fiscal condition.*

President Stroup and Mr. Christianson briefed the SBHE on the discussion the BFC had regarding the budgets.

Andrews, Caspers, Clayburgh, Christianson, Kingsbury, Kunkel, and Stroup voted aye. The motion carried.

Board Budget

President Stroup reported that the BFC reviewed the 2002-2003 SBHE budget. **It was moved** by Clayburgh, seconded by Caspers, to approve the 2002-2003 SBHE budget as follows.

	Per Diem		Travel	Total
	# days	amount	amount	Proposed
Chuck Stroup	58	\$3,625	\$5,500	\$9,125
Richard Kunkel	58	3,625	4,500	\$8,125
Sue Andrews	45	2,813	3,600	\$6,413
Craig Caspers	45	2,813	3,600	\$6,413
Bruce Christianson	45	2,813	3,600	\$6,413
Bev Clayburgh	45	2,813	3,600	\$6,413
Ralph Kingsbury	45	2,813	3,600	\$6,413
Josh Askvig	37		2,000	\$2,000
		\$21,315	\$30,000	\$51,315
Faculty Advisor:				
James Grijalva	33		2,000	\$2,000
<b>TOTAL</b>		<b>\$21,315</b>	<b>\$32,000</b>	<b>\$53,315</b>

Andrews, Caspers, Clayburgh, Christianson, Kingsbury, Kunkel, and Stroup voted aye. The motion carried.

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Chancellor Isaak reported that the BFC also reviewed and approved the 2002-2003 annual line item budget for the NDUS office.

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Capital Project Priorities List

President Stroup reported that the BFC reviewed and recommends approval of the proposed request to increase the cost of the DSU Murphy Hall project from \$5,101,943 to \$5,882,047 in the 2003-2005 capital project priority list. Chancellor Isaak said DSU's original request did not include equipment costs. **It was moved** by Christianson, seconded by Kingsbury, to amend the 2003-2005 capital project priority list by increasing DSU's Murphy Hall request from \$5,101,943 to \$5,882,047 to include equipment costs. Andrews, Caspers, Clayburgh, Christianson, Kingsbury, Kunkel, and Stroup voted aye. The motion carried.

Board Meeting Calendar

President Stroup presented the proposed schedule of SBHE meetings for July 2002 to June 2004. He requested that a meeting be held at a tribal college in the next year. NDUS staff will work on coordinating this meeting. Following review of the calendar, the September 12-13, 2002,

meeting was changed to September 26-27, 2002. Mr. Kingsbury also requested that the May 8-9, 2003, meeting be changed to different dates. President Stroup said that he would consider the request.

### Institutional Assignments

President Stroup presented the 2002-2003 SBHE institutional assignments and travel. He reported that the Council of College Faculties and the ND Student Association would be assigning one of their members to a SBHE member as a means of communication.

### Standing Committees

President Stroup said that Mr. Steve Portch, at the April 2002 Board professional development, recommended that the SBHE have standing committees. President Stroup said he prefers to have ad hoc committees on an as needed basis to discuss issues as they arise. There were no concerns raised from SBHE members.

### MaSU Presidential Search Process

President Stroup reported that he, Dr. Kunkel, and Chancellor Isaak met with leaders of the Mayville private sector, MaSU faculty and administration, and Dr. Chaffee regarding the presidential and interim presidential search process. Chancellor Isaak presented his recommendations concerning the search process.

No recommendation was made to use a search firm for the full time president due to the cost, which could run between \$35,000 - \$50,000 plus expenses. There was discussion on the pros and cons of using a search committee. Chancellor Isaak will contact some search firms about the possibility of modifying a contract to do the medical and credit reference checks on presidential candidates.

**It was moved** by Clayburgh, seconded by Kingsbury, to approve Chancellor Isaak's recommendations, as follows:

1. The SBHE approve the hiring of a consultant to assist in the selection of an interim president and that the costs be paid from the allocation of funds made by the Board in June 2002. Also, that the Board delegate to President Stroup and Chancellor Isaak the selection of the firm. The costs will be between \$5,000 and \$10,000.
2. President Stroup appoint a SBHE subcommittee to interview the interim candidates and make a recommendation to the SBHE.
3. President Stroup appoint a search committee consisting of the full Board including the faculty advisor, two faculty, one staff, one student, and two community/alumni persons. Also, delegate to President Stroup the selection of the faculty, staff, student, and community/alumni members.

**It was moved** by Christianson, seconded by Andrews, to amend number 3 and that three Board members be on the search committee rather than the full Board. Andrews, Caspers, Clayburgh, Christianson, Kingsbury, Kunkel, and Stroup voted aye. The amendment carried.

On the amended motion, Andrews, Clayburgh, Christianson, Kingsbury, Kunkel, and Stroup voted aye. Caspers voted no. The amended motion carried.

### **Public Comment**

There was no public comment.

### **Announcements**

The next meeting of the Board of Higher Education will be held at Williston State College, September 26-27, 2002.

The meeting adjourned July 19, 2002, at 12:05 p.m. CT.