

ND STATE BOARD OF HIGHER EDUCATION

Minutes—December 18, 2002

Bismarck, ND

The State Board of Higher Education met December 18, 2002, in the Student Union Prairie Room on the campus of Bismarck State College. The Board president called the meeting to order at 8:00 a.m. Members participating:

Mr. Chuck Stroup, President	Mrs. Beverly Clayburgh
Dr. Richard Kunkel, Vice President	Mr. Ralph Kingsbury
Mrs. Sue Andrews (via phone)	Mr. Josh Askvig
Mr. Bruce I. Christianson	

Board members absent:

Ms. Pamela Kostelecky	Mr. James Grijalva, Faculty Advisor
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Presidents, campus deans, and campus representatives participating:

Dr. Donna Thigpen, BSC	Dr. Joe Chapman, NDSU (via phone)
Dr. Sharon Etemad, LRSC	Dr. Charles Kupchella, UND
Dr. Ken Grosz, MiSU-BC	Dr. Les Wong, VCSU
Dr. Sharon Hart, NDSCS (via phone)	Dr. Joe McCann, WSC

Staff members participating:

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 (via phone)
H.P. Seaworth, General Counsel/Executive Secretary
Debra Anderson, Public Affairs Director
Sheila Tibke, SBHE Administrative Secretary/Financial Aid Assistant

Senator Ray Holmberg attended portions of the meeting.

Minutes

It was moved by Clayburgh, seconded by Kingsbury, and unanimously carried to approve the minutes of the November 21-22, 2002, meeting as distributed.

BOARD PRESIDENT'S REPORT

President Stroup said that he has been invited to speak about the Roundtable at his local Chamber of Commerce. He encouraged other Board members to also be available to speak to area groups about the Roundtable.

CHANCELLOR'S REPORT

Chancellor Isaak asked if there were any questions on the report he sent to the SBHE members prior to the meeting. He introduced Ms. Rebecca Duben who just began employment in the NDUS office. Chancellor Isaak also reported:

- in response to recommendations from the auditor's office, he has decided to hire a full time staff person to work on financial statements and audits instead of a research/data analyst.
- there has been some concern expressed about the quality of dual credit courses when some high school students take a course only for high school credit and others take it for college credit. The Academic Affairs council proposed a change in NDUS procedure so that only high school students who receive college credit be allowed to take dual credit courses. The Chancellor's Cabinet discussed the proposed change and had concerns about this change. It was the Cabinet consensus to not change the procedure and to continue to allow high school students to take college courses even if they opt to receive only high school credit and not college credit.
- thirty-five applications have been received for the MaSU president position.

STUDENT ASSOCIATION REPORT

Mr. Chris Frost, ND Student Association (NDSA) president:

- said the NDSA requests the SBHE reconsider changing "may" to "shall" in SBHE Policy – Presidential Search and Screening Committee to ensure that the students, faculty, and staff serve on presidential search committees.
- presented the NDSA legislative priorities and talking points.
- presented a NDSA resolution in support of a government internship program.
- presented a NDSA resolution opposing the proposed change in the dual credit procedure (see Chancellor's report above).

It was moved by Askvig, seconded by Kunkel, to support the following NDSA resolution for the government internship program.

Whereas, the North Dakota Student Association of Career Service Professionals (NDACSP) has proposed formalizing the ND State Government Internship program; and

Whereas, the formalization of the State Government Internships program will provide a structure and a process that will enhance the ability for students to get internships; and

Whereas, Internships benefit the students in giving them real world experience; and

Whereas, internships benefit the businesses and government by bringing in fresh ideas; and

Whereas, ND government can set an example by being a leader in providing meaningful internships; and

Whereas, internships will provide experiences that may keep students in the state after graduation, and

Therefore, let it be resolved that the North Dakota Student Association supports the North Dakota Association of Career Service Professionals in their effort in formalizing the ND internship program after the South Dakota Executive Internship Program; and

Let it be further resolved that NDSA also supports government efforts in promotion internships in businesses.

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

COUNCIL OF COLLEGE FACULTIES REPORT

Dr. Henry Riegler, CCF president reported:

- CCF is working on communication, coordination, and collaboration issues including development of a web site and to resolve problems with their listserve. CCF is also working with the NDUS office on ways to improve communication.
- CCF will support the SBHE legislative priorities
- Faculty members share NDSA concerns about the language in SBHE Policy 601.1 – Presidential Search and Screening Committee.

BOARD BUSINESS AND SPECIAL REPORTS

ConnectND

Ms. Glatt provided an update on the *ConnectND* project. She said the project is on schedule and on budget. Ms. Glatt reported that the Executive Steering Committee approved a payroll advance plan option for employees when payroll moves from monthly to semi-monthly. This plan allows a half-month salary advance, interest free to employees with up to 12 months to repay through automatic payroll deduction.

Red River Valley Research Corridor

Dr. Kupchella presented a final proposal for the Red River Valley Research Corridor for the Board's review and approval. This proposal was adopted in concept by the SBHE September 26, 2002. The idea was suggested by Senator Byron Dorgan to build on the strengths and potential of ND's two research universities as anchors with involvement of other ND institutions, public and private, along with business and industry in ND. It is supported by Governor Hoeven. It

will expand the capacity to engage in high-level funded research development and commercialization of science and technology along the Red River Valley and strengthen the State's unified system of higher education. **It was moved** by Christianson, seconded by Clayburgh, to approve the Red River Valley Research Corridor proposal. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kunkel, and Stroup voted aye. The motion carried. Exhibit A.

Stage I Requests

Dr. Hillman presented the following Stage I program requests approved by the Chancellor and reviewed by the Cabinet for comment by the SBHE. No concerns were expressed.

- DSU
 - ✓ B.S. in Business Administration: change banking and finance concentration to a minor
 - ✓ B.S. in Business Administration: change Marketing concentration to a minor
 - ✓ B.S. in Business Administration: change Office Administration concentration to a minor
 - ✓ B.S. in Business Administration: change accounting concentration to a minor
 - ✓ B.S. in Business Administration: change Management Information Systems concentration to a minor
 - ✓ B.S. in Business Administration: change management concentration to a minor
 - ✓ B.S. in Business Administration: change agri-business concentration to a minor
 - ✓ B.S. in Business Administration: change Organization Psychology concentration to a minor
 - ✓ B.S. in Business Administration: change Manufacturing Technology concentration to a minor
- MiSU
 - ✓ Master of Education concentration in Art
 - ✓ Bachelor of Fine Arts in Art
 - ✓ B.S. in Virtual Business to be offered traditionally and online
- VCSU
 - ✓ Bachelors in Technology Education to be offered online and traditionally

Annual Enrollment Report

Dr. Hillman and Mrs. Julie Schepp presented the first annual NDUS enrollment report. Dr. Hillman also reviewed the 2002 fall enrollment report. Overall, there were 39,614 students enrolled in the NDUS in fall 2002 based on IPEDs data. The 2001-2002 annual enrollment was 49,065 including all non-credit and non-degree credit students. Board members said the report is a comprehensive presentation of enrollments and were complimentary of the report.

Board Policy Manual Revisions

It was moved by Christianson, seconded by Clayburgh, to adopt on second reading and final passage **SBHE Policy 601.1 – Presidential Search and Screening Committee**.

It was moved by Kingsbury, seconded by Askvig, to amend the motion and amend SBHE Policy 601.1 by replacing “may” with “shall” in the third line of 1. in reference to students, faculty, and staff being represented on presidential search committees. Mr. Chris Frost, Mr. Stephan Ryan, and Mr. Henry Riegler spoke in favor of the amendment.

On the amendment, Andrews, Askvig, Kingsbury, Kunkel, and Stroup voted aye. Christianson and Clayburgh voted no. The amendment carried.

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

Consent Agendas

Academic Consent Agenda

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

- Approval for **Dickinson State University** to offer a minor program in Internet Applications that can be attached to the B.S. or B.A degrees
- Approval for **Dickinson State University** to offer a minor program in Information Technology that can be attached to the B.S. or B.A. degrees
- Approval for **North Dakota State University** to offer a graduate level Certificate Program in Digital Enterprise
- Authorization for **North Dakota State University** to establish a Center for Nutrition and Pregnancy

Financial and Facility Consent Agenda

It was moved by Christianson, seconded by Kingsbury, to approve the following financial and facility consent agenda items. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kunkel, and Stroup voted aye. The motion carried.

- Authorization to utilize funds (\$34,747.69) remaining from the Entrepreneurship TechSavvy Program to support state-supported business plan entrepreneurship activities: business plan funds for the ND Ideafest Business Plan Competition - \$15,000 and the Collegiate Business Plan Competition \$15,000. The remaining \$4,747.69 would be retained by UND Workforce Development for services rendered.
- Approval to seek individual legislator sponsorship of a bill to transfer a parcel of land from **Lake Region State College** to the City of Devils Lake.
- Approve the Resolution Authorizing Negotiated Sale of \$2.4 million **Minot State University** Student Services Facilities Revenue Refunding Bonds Series 2003. Exhibit C.
- Approval of \$250 per semester program fee for the **North Dakota State University** Marriage and Family Therapy Program and approval to increase from \$150 to \$250 per semester a program fee for the NDSU Interior Design major effective Fall 2003.

Personnel Consent Agenda

It was moved by Christianson, seconded by Kunkel, to approve the following personnel consent agenda items. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kunkel, and Stroup voted aye. The motion carried.

- *ConnectND* supplemental pay adjustments
- Approve tenure at **University of North Dakota** for:
 - ✓ Mary Ann Sens
 - ✓ Donald A. Sens
 - ✓ Nancy Vogelanz-Holm

- Approve Honorary Doctor of Letters Degree at **University of North Dakota** to Senator Byron L. Dorgan

MAJOR POLICY DISCUSSIONS

Student Affordability

Ms. Glatt presented the second annual student affordability report. Campus presidents participated in the discussion by sharing their thoughts on the amount of “elasticity” they each have on their campus in relation to tuition rates. A copy of the report is on file in the System office. The presidents said flexibility in setting tuition rates is important, especially when the state budget is very tight.

Executive Budget Recommendation

Ms. Glatt reviewed the impact the Governor’s executive budget recommendation would have on the NDUS and proposed SBHE legislative budget priorities. The Budget and Finance Committee has reviewed the budget priorities and recommends SBHE approval. Following discussion, Mr. Christianson suggested that a statement be added to clarify that new funding provided in the block grant/pooled funding for campus operations would likely be allocated by the Board based on the SBHE long-term finance plan which recognizes both equity and parity allocations. **It was moved** by Christianson, seconded by Askvig, to approve the following SBHE legislative budget priorities. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kunkel, and Stroup voted aye. The motion carried.

- Support the 2003-05 Executive Budget Recommendation for the NDUS, at a minimum.
- Support the flexibility with accountability legislation introduced by the Interim Higher Education Committee.
- Support block grant/pooled appropriations to the State Board of Higher Education (SBHE) for allocation to the campuses and programs. Pooled “campus operations” funding would be allocated by the SBHE based on the SBHE long-term finance plan*.
- The SBHE requests legislative consideration of the following funding priorities should additional resources become available:

<u>Campuses, NDUS Office and Forest Service-HB1003</u>		
1	Fund the general fund portion of cost to continue for the 11 campuses, the Medical School and technology operations in order to reduce or eliminate internal reallocations, and/or tuition increases. FY03 salary increases \$2,139,444; inflation, including utilities \$3,807,357; 2% annual salary increase \$7,018,637; employee health insurance increase \$4,512,177; \$1,850,000 medical liability insurance; \$800,00 UND campus computing and systemwide technology; \$51,560 disabled student services increase	\$20.2 million
1	Provide state general fund support for the NDUS portion of the ConnectND project in 03-05 to eliminate the need for an ongoing student fee to cover the cost of the project.	\$3.2 million
1	Provide adequate state funding to sustain all currently funded students and the following number of new students in student grant/access programs, comparable to 01-03 award levels: ** <ul style="list-style-type: none"> • State Grant (2,545 total per year) \$0 • Scholar’s Program (47 new per year) \$295,000 	\$1.0 million

	<ul style="list-style-type: none"> • Professional Student Exchange Prgm. (15 new per year) \$105,000 • Indian Scholarship Program (145 total per year) \$0 • Technology Occupations Loan Prgm. (133 new per year) \$250,000 • Teacher Shortage Loan Forgive Prgm. (81 new per year) \$310,000 • Teacher Retraining Scholar Prgm. (6-7 total per semester) \$45,000 • Doctoral Programs (\$30,000 per year) \$0 	
1	Provide state bonding for the SBHE's major capital project priorities.	\$28.8 million
2	Implement the first phase of the NDUS's long-term finance plan operations-funding goal to achieve 85% of the benchmark in six years.	\$32 million
2	Implement the first phase of the NDUS's long-term finance plan capital-assets goal to achieve 100% of formula over 10 years, and address deferred maintenance needs over 14 years.	\$10.3 million
2	Implement the first phase of the NDUS's long-term finance plan state-priorities funding goal to achieve an amount equal to two percent of the NDUS general fund appropriation over six years.	\$1.8 million
2	Provide funding of expected network growth for voice, video, and data to support classroom instruction, research and distance education.	\$400,000
2	Provide funding for equipment upgrades for IVN to support increased port capacity for K-12, NDUS, tribal colleges, and state agency video conferencing use.	\$433,000
2	Provide funding for the balance of the ODIN software replacement	\$200,000
2	Provide a 5% increase in state matching funds for EPSCoR. This would generate an additional estimated \$400,000 in federal and private dollars.	\$200,000
For Extension Service, Experiment Centers, NCI and UGPT Institute – HB1021		
1	Fund general fund portion of cost to continue FY03 salary increases, 2.5% annual operating inflation and amount needed to fund salary increases of 2% per year (as opposed to 1\2%) to reduce or eliminate internal reallocations and/or fee increases.	\$1.5 million
1	Restore general fund to 100% of 2001-03 adjusted appropriation	\$1.6 million
2	Provide funding equivalent to 12% general fund increase (net of cost to continue) authorized by the SBHE for the needs-based budget request	\$5.3 million
<u>Other-HB1003</u>		
1	Provide revenue bond authority to BSC for the construction of the Career and Technology Institute.	\$8.3 million

* The long-term finance plan mandates that *current* general fund appropriations not be reallocated among campuses. The plan also requires a portion of *increased* state general appropriations be allocated both to parity (e.g. inflation, salary and health insurance increases, etc..) and to resolve equity differentials based on campus peer benchmarks and unique state/student funding shares. 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.

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	01-03 Budget	03-05 Hold Even	03-05 Priorities
State Grant	2,482/2,545	2,545	2,545
Scholar's Program	47 per year	22 per year	47 per year
PSEP	15 per year	12 per year	15 per year

Indian Scholarships	145	145	145
Tech Occupations	63/133	74 per year	133 per year
Teacher Shortage	81 per year	0, plus cont'd cuts	81 per year
Teacher Retraining	6-7 per semester	4-5 per semester	6-7 semester
Doctoral Programs	\$30,000 per year	\$30,000 per year	\$30,000 per year

(for teacher retraining assumes \$4,500 per semester, including stipend of \$2,000 per student)

Proposed Legislation

Mr. Seaworth presented two new proposed legislative bills. **It was moved** by Clayburgh, seconded by Kingsbury, to support the following two legislative bills. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kunkel, and Stroup voted aye. The motion carried.

- Amendment to NDCC 15-20.4 relating to the issuance, manufacture and use of false academic credentials
- Name change from the State Board for Vocational and Technical Education to the State Board for Career and technical Education

Legislative Session

President Stroup reviewed the following list of strategies for the SBHE during the upcoming legislative session.

- The board president will assign legislators to board members from the primary legislative committees considering higher education related bills.
- The board president will contact board members about testifying when he believes it is necessary. The board president, vice president or chancellor will apprise board members of important issues on an on-going basis.
- The board president, vice-president, and chancellor will meet with legislative leaders to explain the board's priorities.
- Private sector members of the roundtable will be visited to discuss legislation and their desired involvement.
- The System office will provide a weekly status report to the board and campuses on legislation.
- The System office will prepare a list of key legislation introduced for the board to discuss at its January meeting and the board will formally vote to take positions on key legislation introduced.
- The board may need to have a special meeting after crossover and prior to the other house's consideration of bills.

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENTS

The next State Board of Higher Education meeting will be held at Bismarck State College on January 30-31, 2003.

REVIEW OF BOARD MEETING

Mr. Christianson said improvements need to be made when meeting participants are connected via phone and that someone should be available to run equipment such as the proxima that was needed for Dr. Kupchella's presentation on the Red River Valley Research Corridor proposal.

The meeting adjourned at 1:30 p.m.