

ND STATE BOARD OF HIGHER EDUCATION
Minutes—April 11, 2003
Conference call

The State Board of Higher Education met April 11, 2003, via conference call. The Board president called the meeting to order at 1:30 p.m. CT. Members participating:

Mr. Chuck Stroup, President	Mr. Ralph Kingsbury
Dr. Richard Kunkel, Vice President	Ms. Pamela Kostelecky
Mrs. Sue Andrews	Mr. Josh Askvig
Mr. Bruce I. Christianson	Mr. James Grijalva, Faculty Advisor
Mrs. Beverly Clayburgh	

Presidents, campus deans, and campus representatives participating:

Dr. Donna Thigpen, BSC	Dr. Ken Grosz, MiSU-BC
Dr. Lee Vickers, DSU	Mr. Mike Renk, NDSCS
Mr. Corry Kenner, LRSC	Mr. Dick Rayl, NDSU
Dr. Paul Olscamp, MaSU	Dr. Charles Kupchella, UND
Dr. Erik Shaar, MiSU	Dr. Joe McCann, WSC

Staff members participating:

Larry A. Isaak, Chancellor
Laura Glatt, Vice Chancellor for Administrative 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

Legislation

The purpose of the special meeting was to discuss the status of legislation that affects the NDUS. Chancellor Isaak reviewed the house and senate amendments to various legislative bills. The Board discussed major issues in the 2003-2005 appropriations.

It was moved by Christianson, seconded by Clayburgh, that the SBHE adopt the following statements. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

- The State Board of Higher Education (SBHE) continues to firmly support the Governor's recommended budget for the North Dakota University System. As of April 11, 2003, HB1003 is \$10.4 million less than the current adjusted state general fund appropriation for the NDUS. In addition, the campuses must self-fund another \$9.0 million to cover the

general fund cost for inflation, health insurance increases and continuation of the FY03 salary increase. Thus, the budget, as it stands today, is nearly \$20 million less than what it costs to continue current operations. This level of funding will have the harshest impact on operations and the System's ability to sustain high-quality academic programs, meet student needs and the level of tuition increases. Accordingly, restoration of across-the-board operations reductions of \$5.8 million and \$1.4 million of operations reductions based on IT spending in HB1003 is a major priority.

- The SBHE takes issue with the \$2 million of mandated information technology (IT) consolidation and budget cuts passed by the House in SB2015. Without adequate internal study and planning, the SBHE believes IT funding reductions or IT consolidation will have a negative impact on the campus' ability to serve on-campus and distance education students, sustain research and outreach activities, and provide efficient administrative services. And further, the SBHE opposes adding more approval processes for IT services through the state's central IT function that, in turn, create more cost and reduce responsiveness.
- The SBHE supports retention of flexibility for campuses to manage their budgets, as was provided by the 2001 Legislative Assembly. This flexibility is important to ensure that funding provided by the legislature is consistent with the funding priorities of the campuses, as reflected in the campus strategic plans.

It was moved by Christianson, seconded by Andrews, that the SBHE adopt the following statement. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

- The SBHE supports using the NDUS long-term finance plan to make all appropriations. Specifically targeted funding for new activities, although valuable, does not offset reductions to base operation budgets, which provide the funding foundation for teaching and research activities. The plan was developed to ensure fair and equitable funding based on each campus's unique mission and programs and to address statewide needs.

It was moved by Christianson, seconded by Askvig, that the SBHE adopt the following statement. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

- The SBHE believes funding for Centers of Excellence is an important investment in North Dakota's future. The board is charged with approving academic programs and related centers consistent with campus mission, and as a result is the logical and appropriate entity for designating Centers of Excellence. The Board has, at their March 2003 meeting, established criteria for establishing Centers of Excellence. The board urges HB1003 and HB1019 be amended accordingly.

It was moved by Christianson, seconded by Kingsbury, that the SBHE adopt the following statements.

- The SBHE supports reinstatement of funds for three facility projects approved by the House in HB1003 at DSU, MaSU, and VCSU since these are the top three priorities on the board's capital priority list. The SBHE also supports the reinstatement of bonding authorization, in HB1023, for energy conservation projects at UND and NDSU, debt repayment to be provided from campus utility savings resulting from the project upgrades.

- The SBHE supports retention of workforce training funding in HB1020 – Vocational and Technical Education.
- The SBHE supports the Governor’s and Senate’s revenue-bonding proposal for ConnectND at \$20.0 million included in HB1022.
- The SBHE supports reinstatement of funding for student internships.

It was moved by Askvig, seconded by Andrews, to amend the last statement to read, “The SBHE supports reinstatement of funding for student internships in the NDUS appropriation.” Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kostelecky, Kunkel, and Stroup voted aye. The amendment carried.

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

President Stroup raised the issue of the tobacco tax the Governor recommended in his 2003-2005 budget. President Stroup said this tax is estimated to raise approximately \$28 million, which could help the State’s financial position. **It was moved** by Kunkel, seconded by Askvig, that the SBHE support the Governor’s proposed tobacco tax increase. Askvig, Christianson, Clayburgh, Kingsbury, Kunkel, and Stroup voted aye. Andrews and Kostelecky voted no. The motion carried.

LRSC Welcome Center

Chancellor Isaak presented a request from LRSC for permission to increase the spending authority of the Welcome Center project. **It was moved** by Clayburgh, seconded by Kunkel, to permit LRSC to increase the spending authority of the Welcome Center (Entry Project) from \$325,000 to \$375,000. Authorization to proceed was granted at the March 2001 SBHE meeting. The increase would be funded by additional donations of \$25,000 and up to \$25,000 from trust fund revenues held by LRSC. No State appropriations are involved in the project. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

The meeting adjourned at 2:45 p.m.