

ND STATE BOARD OF HIGHER EDUCATION

Minutes—May 8-9, 2003

Fargo, ND

The State Board of Higher Education met May 8-9, 2003, in the Memorial Union Prairie Rose Room on the campus of North Dakota State University. The Board president called the meeting to order at 8:00 a.m. Members present:

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 present:

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

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

Senator Flakoll attended portions of the meeting

Minutes

It was moved by Christianson, seconded by Clayburgh, and unanimously carried to approve the minutes of the March 13, 2003, March 20-21, 2003, and April 11, 2003, meetings as distributed.

BOARD PRESIDENT'S REPORT

President Stroup reported:

- ♦ He will mail material to Board members in regards to the chancellor's annual evaluation.
- ♦ The dates for the September Board meeting may be changed to September 25-26. Mrs. Tibke will survey the Board members to see if they are available on those dates.

Dr. Kunkel said the Board retreat will possibly be held at Edwards House at Camp Grafton.

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 also reported that Ms. Anderson would be sending Board members a draft Q&A document. He asked Board members to send comments to Ms. Anderson by May 19.

COUNCIL OF COLLEGE FACULTIES REPORT

Mr. Grijalva reported the faculty is disappointed with the legislature's decision "to appropriate even fewer resources than the System received in 2001." He said the CCF hopes the Roundtable flexibility will benefit system employees.

STUDENT ASSOCIATION REPORT

Mr. James Klein, ND Student Association (NDSA) president, presented resolutions adopted by the NDSA:

- ♦ The NDSA does not support the decline in student seating at UND hockey games.
- ♦ The NDSA urges the SBHE to make internship programs a high priority and asks the SBHE to direct career service centers at all NDUS campuses to collaborate with local Chambers of Commerce, private businesses, and non-profit organizations to create internships and allocate funding for the promotion of the project.
- ♦ That any further funding required for *ConnectND* and its ancillary systems not come from student dollars.
- ♦ The NDSA asks the SBHE to limit tuition increases to 6% and pay for the *ConnectND* bond payments using the money in the unrestricted funds. This resolution prompted a lengthy discussion. Chancellor Isaak said that unrestricted fund dollars are earmarked for ongoing campus operations. If these dollars are used for other purposes such as *ConnectND*, Mrs. Glatt said student activities, education services, and auxiliary enterprises would be impacted. Chancellor Isaak said a meeting was held with House leadership, the chancellor's office, and four campus presidents during the legislative session to discuss the source and use of these funds. Chancellor Isaak further stated that a report must be presented to the legislature in the future on unrestricted funds' balances. Board members said the NDSA should have done more research on this issue before assuming these funds were available.

BOARD BUSINESS AND SPECIAL REPORTS

ConnectND Update

Dr. Thigpen presented a resolution of thanks to the *ConnectND* project committee and everyone involved in the project and to recognize their hard work and efforts. **It was moved** by Askvig, seconded by Clayburgh, to approve the following resolution of thanks. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

Whereas, robust and efficient administrative systems are a cornerstone of any well-run enterprise, and;

Whereas, the ConnectND project represents a unique and cooperative implementation involving both higher education and state government, and;

Whereas, North Dakota is the first state in the nation to attempt integration of such a project with as broad a scope, and;

Whereas, a successful implementation will allow us to serve others better, promote continued collegueship, and share best business practice in our processes;

Now, therefore, be it resolved, the North Dakota State Board of Higher Education recognizes:

- 1) *the contribution our staff have made to future generations of North Dakotans,*
- 2) *the sacrifice these staff and their families have made to achieve the very aggressive timelines set out for the project, whether directly involved in the project or indirectly by carrying an extra burden for those who participate directly,*
- 3) *the commitment to task that all have shown in the face of a very short implementation timeline,*
- 4) *the professionalism demonstrated in reaching decisions that are in the best interest of the state, student and System,*
- 5) *the financial contributions of the state and students, and*
- 6) *the diligence applied by all to ensure the job is done right.*

Medical Center Advisory Council

It was moved by Christianson, seconded by Andrews, to appoint Mrs. Clayburgh to the **University of North Dakota** Medical Center Advisory Council to a term that will expire June 30, 2005. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

Stage I Academic Requests

It was moved by Christianson, seconded by Andrews, to approve the following Stage I program requests. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

Dr. Hillman presented the following Stage I program requests approved by the Chancellor and reviewed by the Cabinet for comment by the SBHE. Dr. Hillman responded to questions.

- ♦ BSC
 - ✓ AAS and Certificate in Diagnostic Medical Sonography
- ♦ DSU
 - ✓ Bachelors Minor in Leadership Studies
- ♦ MiSU
 - ✓ Bachelors in Gender/Women's Studies
 - ✓ Bachelors Minor in Fraud Examination
- ♦ MiSU-BC
 - ✓ AAS and Diploma in Medical Assistant – Distance Education Update Notice
- ♦ VCSU
 - ✓ Bachelors Minor in Teaching English Language Learners
- ♦ WSC
 - ✓ AAS and Certificate in Entrepreneurship

Mr. Christianson presented a report of the graduate education committee.

1. **It was moved** by Christianson, seconded by Andrews, to receive and file the consultants report. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.
2. **It was moved** by Christianson, seconded by Andrews, to approve NDSU's Stage I request for an Ed.D. and Ph.D. in Education Leadership and indicate a willingness by the Board to entertain a Stage II request that includes a plan for collaboration with UND. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.
3. **It was moved** by Christianson, seconded by Andrews, to approve NDSU's Stage I request regarding Ed.D.s and Ph.D.s in 1) Institution Analysis and 2) Occupation and Adult Education and a willingness by the Board to entertain a Stage II request.

It was moved by Askvig, seconded by Christianson, to amend the motion to include a plan for collaboration with UND in the Stage II request. Andrews, Askvig, Christianson, Clayburgh, Kingsbury, Kostelecky, Kunkel, and Stroup voted no. The motion failed.

On the original motion, Andrews, Askvig, Kunkel, and Stroup voted aye. Christianson, Clayburgh, Kostelecky, Kingsbury, voted no. The motion failed.

Mr. Kingsbury asked to be excused from the meeting at this time (10:00 a.m. CT).

It was moved by Clayburgh, seconded by Andrews, to reconsider the last motion. Mrs. Clayburgh said she misunderstood the motion thinking there would be an opportunity to discuss the issue further at Stage II and would like to change her vote. Andrews, Askvig, Clayburgh, Kostelecky, and Kunkel voted aye. Christianson and Stroup voted no. The motion carried.

On the original motion to approve NDSU's Stage I request regarding Ed.D.s and Ph.D.s in 1) Institution Analysis and 2) Occupation and Adult Education and a willingness by the Board to entertain a Stage II request Andrews, Askvig, Clayburgh, Kunkel, and Stroup voted aye. Christianson and Kostecky voted no. The motion carried.

Board Policy Manual Revisions

It was moved by Christianson, seconded by Andrews, to adopt on second reading and final passage amended **SBHE Human Resource Policy 6.2 and 6.4 – Annual Leave** and **SBHE Policy 409 – Degrees Offered**. Andrews, Askvig, Christianson, Clayburgh, Kostecky, Kunkel, and Stroup voted aye. The motion carried. Exhibit A.

Major Capital Project Requests

It was moved by Christianson, seconded by Clayburgh, to approve the following major capital project requests. Andrews, Askvig, Christianson, Clayburgh, Kostecky, Kunkel, and Stroup voted aye. The motion carried.

- ♦ preliminary approval to **North Dakota State University** to proceed with the Memorial Union Addition and Renovation in order to hire an architect to provide enhanced project design and cost estimates. NDSU will seek final authorization to proceed with the project and to present it to the 2005 legislature when final figures are obtained.
- ♦ preliminary approval to **North Dakota State University** to proceed with the Wellness Center Addition in order to hire an architect to provide enhanced project design and cost estimates. NDSU will seek final authorization to proceed with the project and to present it to the 2005 legislature when final figures are obtained.
- ♦ Authorized **Dickinson State University** to proceed with the Murphy Hall renovation and addition project – phase I contingent upon the solidification of funding of \$5,882,047 (including \$250,000 in local funds to assist in retirement of the debt) authorized within Section 14 of HB1003. The legislation includes an emergency clause in an effort to facilitate the construction process.
- ♦ Permission for **Mayville State University** to proceed with the steam line replacement – phase II. Estimated cost is \$1,755,000. Source of funding is from State appropriations.

Chancellor Isaak complimented the legislature for approving the funding for DSU's Murphy Hall, MaSU's steam line replacement, and VCSU's Graichen Gymnasium Egress and Health Safety project. Askvig **moved** that Chancellor Isaak's comment be recorded in the minutes. Kostecky seconded the motion. Andrews, Askvig, Christianson, Clayburgh, Kostecky, Kunkel, and Stroup voted aye. The motion carried.

Consent Agendas

Academic Consent Agenda

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

- ♦ Tenure report
- ♦ Tenure requests

Bismarck State College

Jeffrey Skibicki, Assistant Professor of Mathematics

Earl Torgerson, Assistant Professor of Residential Construction

Deirdre Fay, Assistant Professor of Music

Dickinson State University

Myron Berg, Assistant Professor of Business Education

Karen Heth, Assistant Professor of Business Education

Douglas King, Assistant Professor of Agriculture

James McAllister, Associate Professor of Biology

Andrew McGarva, Assistant Professor of Psychology

Mayville State University

Thomas Gonnella, Assistant Professor of Chemistry

Minot State University

Lisa Borden-King, Assistant Professor, Teacher Education and Health Sciences

Robin Clark, Professor, Teacher Education and Human Performance

Bryce Fifield, Professor, Teacher Education and Human Performance

Leisa Harmon, Assistant Professor, Communication Disorders and Special Education

Michael Duffy, Professor, Business Administration

ShaunAnne Tangney, Assistant Professor, Humanities

Christopher Keller, Assistant Professor, Biology

Joseph Jastrzembki, Assistant Professor, Social Science

Wojciech Cebulak, Assistant Professor, Criminal Justice

Minot State University-Bottineau Campus

Larry Brooks, Assistant Professor, Life Science

North Dakota State College of Science

Tamera Althoff, Assistant Professor, Practical Nursing

Peter Benson, Assistant Professor, Music

Jeff Berg, Assistant Professor, Building Construction Technology

James Erdahl, Assistant Professor, Auto Body Repair & Refinishing Technology

Linda Fink, Assistant Professor, Architectural Drafting

Lucinda Johnson, Assistant Professor, Allied Dental

John Kroshus, Assistant Professor, Computer Information Systems

Ron Knudtson, Assistant Professor, Electrical Technology

Shirley Wall, Assistant Professor, Allied Dental

North Dakota State University

Anna Grazul-Bilska, Assistant Professor, Animal and Range Sciences

Eric DeVuyst, Assistant Professor, Agribusiness and Applied Economics

Phillip Glogoza, Assistant Professor, Entomology

Shahryar Kianian, Assistant Professor, Plant Sciences

Gregory Lardy, Assistant Professor, Animal and Range Sciences

Kenneth Odde, Animal and Range Sciences

Charles Stoltenow, Assistant Professor, Animal and Range Sciences

Cheryl Wachenheim, Assistant Professor, Agribusiness and Applied Economics

Kevin Brooks, Assistant Professor, English

Jeanne Hageman, Assistant Professor, Modern Languages

David Swenson, Assistant Professor, Visual Arts

Drew Martin, Assistant Professor, Management, Marketing & Finance

Joel Jorgenson, Assistant Professor, Electrical and Computer Engineering

Wei Lin, Assistant Professor, Civil Engineering and Construction

Charles McIntyre, Assistant Professor, Civil Engineering and Construction

Linda Manikowske, Assistant Professor, Apparel, Design, Facility & Hospitality
Management

Stefan Balaz, Associate Professor, Pharmaceutical Sciences

Kenneth Lipkowitz, Professor, Chemistry

Bernhardt Saini-Eidukat, Assistant Professor, Geosciences
Jeff Terpstra, Assistant Professor, Statistics

University of North Dakota

Elizabeth Burns, Professor, Family Medicine
Forrest E. Ames, Associate Professor, Mechanical Engineering
Kim W. Fink, Assistant Professor, Art
Mark Jendrysik, Assistant Professor, Political Science and Public Administration
Dorothy Keyser, Assistant Professor, Music
Sally J. Pyle, Assistant Professor, Biology
Michael Wittgraf, Assistant Professor, Music

Valley City State University

Valorie Christensen, Assistant Professor, Education, Psychology, & Technology Education

Williston State College

Helen Bell, Instructor, Business Center of Focus

- ♦ Approval for the ND Community College Consortium campuses (**Bismarck State College, Lake Region State College, Minot State University-Bottineau Campus, North Dakota State College of Science, Williston State College**) to offer a Certification Program and an Associate Degree in Applied Science in Paraeducation
- ♦ Approval for **Dickinson State University** to offer a Bachelor of Applied Science in Technology degree.
- ♦ Approval for **Mayville State University** to offer a Bachelor of Arts degree in Early Childhood Education.

Financial and Facility Consent Agenda

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

- ♦ For academic year 2003-2004, funds appropriated for student financial assistance grants be allocated not less than 22 percent to students at private baccalaureate degree-granting institutions and that the remaining funds be allocated as follows, 70-75 percent to the state institutions, and 3-4 percent to the tribal colleges and that the State Grant award remain at \$600 per student.
- ♦ An allocation of up to \$15,000 from the Board Initiative fund for the hiring of additional temporary personnel or contractual services to assist with the development of technical tools required for the preparation of the NDUS consolidated financial statement.
- ♦ Clarification on implementation of a new program fee of \$100 per semester for full-time students and \$50 per semester for part-time students, sophomore through graduate level, pre-business and other majors instructed by CoBPA faculty, effective fall 2003 at the **University of North Dakota** College of Business and Public Administration.
- ♦ Permission for **Valley City State University** to proceed with the Graichen Gymnasium Egress and Health Safety project at \$785,300 as authorized by the 2003 legislature.

A request to allocate up to an additional \$10,000 to cover costs associated with the roles and responsibility task force and the unpaid consulting costs related to the Graduate Program review and Centers of Excellence criteria recommendations was presented to the Board for discussion. Mrs. Glatt said the Board originally approved \$6,000 for the roles and responsibilities task force. However, the roles and responsibility process that has been put in place will require additional

funds for consulting assistance from Dennis Jones and Steve Ports. She also said that additional consulting costs have been incurred for the Graduation Program Review report and the development of Centers of Excellence criteria. Chancellor Isaak said that, based on Board member discussion, the NDUS will continue to proceed with the roles and responsibilities project as planned and pay the additional consultants fees out of the office budget. Board members indicated that they would be willing to entertain a request for Board Initiative funding in 2003-2005, if necessary, to cover these or other costs.

Personnel Consent Agenda

It was moved by Christianson, seconded by Andrews, to appoint Tom Borgen to the State Board of Agriculture Research and Education (SBARE) for a term effective July 1, 2003, through June 30, 2008. Andrews, Askvig, Christianson, Clayburgh, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

It was moved by Clayburgh, seconded by Askvig, to appoint Jerry Effertz to the State Board of Agriculture Research and Education (SBARE) for a term effective July 1, 2003, through June 30, 2008. Andrews, Askvig, Christianson, Clayburgh, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

MAJOR POLICY DISCUSSIONS

Legislative Summary

Mrs. Glatt and Mr. Seaworth provided the Board with an update of the 2003 legislative session.

2003-2004 Annual Budget Guidelines

Mrs. Glatt presented new program fee requests at BSC and NDSCS. She indicated that the Budget and Finance Committee recommends approval of these annual fees. **It was moved** by Christianson, seconded by Clayburgh, to approve the following program fee requests. Andrews, Askvig, Christianson, Clayburgh, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

- ♦ BSC
 - ✓ Lineworker \$500
 - ✓ Process plant 750
 - ✓ Power plant 750
 - ✓ Welding 500
- ♦ NDSCS
 - ✓ Electrical technology \$400
 - ✓ Civil engineering and surveying technology 300
 - ✓ Auto body repair and refinishing technology 400
 - ✓ Recreational engine technology 200
 - ✓ Building construction technology 100
 - ✓ Diesel technology 300
 - ✓ Electronics technology 300
 - ✓ Automated manufacturing technician 300
 - ✓ Machinist and toolmaker 500

✓ Welding technology	400
✓ Automotive technology	400
✓ HVAC systems and technology	100
✓ Agriculture	300
✓ Dental hygiene	500
✓ Practical nursing	500
✓ Health information technician	100
✓ Occupational therapy assistant	200
✓ Culinary arts	300
✓ Pharmacy technician	300

Mrs. Glatt then presented information for the *ConnectND* fee for 2003-2004. HB1022 requires the NDUS to repay 71% of the debt service for the *ConnectND* project; the State will repay 29%. This is an additional \$2.4 million to be paid by the NDUS beyond the original projection. She also said that the *ConnectND* budget has been updated based on more current cost estimates. Taking both of these into consideration, the Budget and Finance Committee, Chancellor, and Chancellor’s Cabinet recommends reducing the *ConnectND* fee for 2003-2004 from \$42 to \$36. **It was moved** by Christianson, seconded by Andrews, to reduce the *ConnectND* fee to \$36 per semester for 2003-2004 and that the amount of the fee will be reviewed on an annual basis. Andrews, Christianson, Clayburgh, Kostelecky, Kunkel, and Stroup voted aye. Askvig voted no. The motion carried.

Mrs. Glatt also informed the Board that a funding source will need to be identified for ancillary software systems that need to be replaced with the discontinuance of the current mainframe system, possibly beginning in FY04. These include housing, parking, facilities, and ID card systems. The money saved with the shutdown of the mainframe has been committed to the *ConnectND* budget to offset the student fee. The Cabinet will be discussing this issue in the future.

Mrs. Glatt presented 2003-2004 tuition rate guidelines and background information. **It was moved** by Christianson, seconded by Clayburgh, to approve the following 2003-2004 tuition rate ranges, within which each campus may set their final tuition rates, as recommended by the Budget and Finance Committee. Andrews, Askvig, Christianson, Clayburgh, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

	Tuition Increase Range within which campus may set final tuition rates	
	% Tuition Increase	\$ Tuition Increase
UND	16.5%-17.0%	\$487-\$502
NDSU	16.2%-17.0%	\$470-\$494
MiSU	13%-16.2%	\$310-\$386
DSU	16%-19.2%	\$353-\$423
MaSU	17%-19.2%	\$374-\$422

VCSU	20.33%-22.33%	\$447-\$496
BSC	13%-14.7%	\$232-\$262
LRSC	14.4%-16.4%	\$258-\$292
WSC	6%-9.3%	\$109-\$168
NDSCS	15%-17.5%	\$267-\$312
MiSU-BC	11.3%-14.6%	\$201-\$260
Med School	14.1%	\$1,895

Mrs. Glatt also presented proposed guidelines for the 2003-2004 annual budget. She reported that the Budget and Finance Committee reviewed the guidelines and recommends Board approval. **It was moved** by Clayburgh, seconded by Kunkel, to approve the following actions, as recommended by the Budget and Finance Committee. Andrews, Askvig, Christianson, Clayburgh, Kostelecky, Kunkel, and Stroup voted aye. The motion carried.

- Board approves the 2003-2004 annual budget guidelines.
- Board approves the allocation of the technology pool for 2003-2004.
- Direct campuses and related entities to include descriptions and amounts of new investments and allocations that are included in the 2003-2004 budgets, that will assist them in carrying out the goals set forth in the Board and campuses strategic plans.
- Direct campuses and related entities to include descriptions and amounts of reallocations/reductions included in 2003-2004 budgets and the corresponding effect on their ability to carry out Board and campus strategic plans.
- Direct campuses and related entities to disclose an estimated 2001-2003 carryover, and the proposed use of these funds.
- Annual budgets are subject to review and approval by the Chancellor within the guidelines set forth by the Board; however, any line item transfers from operations to capital assets line item must be approved by the Board.

2003-2004 Annual Budget Guidelines

Salary Increases:

SB2015 (2003) provides salary increases for state employees of one percent in 03-04 and two percent in 04-05, effective January 1 of each year, contingent upon the elimination of 176 FTE employees. The NDUS is exempt from this provision.

Based on SBHE biennial budget guidelines, the campuses built an average two percent annual salary increase into their hold-even budget requests for 2003-05 (three percent per year in their needs-based budget requests). The budget plans, outlining the need for salary increases and the funding methodology, through internal reallocation and tuition rate increases, were consistently presented to both the House and Senate.

Salary increases continue to be a high priority for the NDUS. However, each campus's ability to provide for salary increases, within reallocation and tuition increases, varies. Therefore, it is recommended that campuses be given the flexibility to determine the amount and allocation methodology of annual salary increases in 03-04. Campuses preliminary plans indicate the following average annual salary increases effective July 1, 2003:

BSC	2%
LRSC	2%

WSC	2%
UND	2% *
NDSU	2%
NDSCS	2%
DSU	2%
MaSU	2%
MiSU	2%
VCSU	2%
MiSU-BC	1%

*UND's budget plan includes additional set-aside funding for strategic investments consistent with their strategic plan goals. If all of this funding were used for salary increases, average annual salary increases in 03-04 would be 6.5% for faculty and 4.5% for staff. Some or all of the funding could be used for other priorities.

Final actual average annual increases will be determined as detailed budgets are compiled. Although similar salary increases are anticipated for the second year of the biennium, campuses will be asked to provide updated plans at the time the SBHE sets annual budget guidelines for FY05.

All employees whose documented performance levels meet standards are eligible for a salary increase. Probationary employees are not eligible for the standard July 1 increase.

Campuses may also use other salary administration tools, including one-time pay adjustments.

Technology Pool:

Section 4 of HB1003 (2003) states: *"The sum of \$25,089,639, or so much of the sum as may be necessary, included in the technology pool line item in subdivision 1 of section 1 of this Act, must be used for the benefit of the institutions and entities under the control of the state board of higher education, as determined by the board. Technology funding allocations must be made based on historic funding and the North Dakota university system information technology plan. Funds allocated pursuant to this section must be used to support the higher education computer network, the interactive video network, the on-line Dakota information network, and other related technology initiatives as determined by the board."*

Within this budget, the technology pool must absorb \$1.3 million related to the cost to continue, FY04 salary increases, health insurance increases, and the IT reduction imposed by the legislature. This will have a major impact on centralized information services in 03-05.

**North Dakota University System
Proposed Technology Pool Allocation
Fiscal Year Ending June 30, 2004**

	2001-03 Base	2003-05 Base 1/	Proposed Allocation for FY04 2/
UND:			
Campus Computer Center	\$2,826,905	\$2,713,829	\$2,713,829
HECN North	7,865,247	7,701,765	3,850,883
Subtotal-HECN North & Campus Computer Center	10,692,152	10,415,594	6,564,712
IVN	2,833,444	2,577,520	1,333,760
ODIN	1,032,914	1,023,860	511,930
Total UND	14,558,510	14,016,974	8,410,402

NDSU:			
Campus Computer Center	3,979,195	3,820,027	3,820,027
HECN South	7,099,243	6,940,288	3,470,144
Subtotal-HECN South & Campus Computer Center	11,078,438	10,760,315	7,290,171
MiSU:			
NDUS-O	498,200	312,350	156,175
Grand Total	\$26,135,148	\$25,089,639	\$15,856,748

1/ The 2003-05 base amount consists of the amounts allocated from the technology pool in 2001-03, less targeted reductions to fund the legislative cuts, the cost to continue FY03 salary increases, 03-04 health insurance increases and 2% annual salary increases in 2003-05.

2/ The proposed allocation for FY04 distributes 100 percent of the biennial totals to the campus computing centers and 50 percent to the remaining areas except IVN, where \$90,000 for campus technicians is allocated in FY04.

LINE ITEM TRANSFERS

Campuses and related entities will be given maximum flexibility in managing their financial resources, including both appropriated and local funds, to address Board and campus objectives. However, no transfers out of the capital assets line item will be permitted, in accordance with Section 23 of HB1003 (2003).

Carryover:

Section 8 of HB1003 (2003) permits the carryover of any unexpended appropriations from the 2001-03 to 2003-05 biennium. Annual budgets should disclose the estimated carryover and proposed uses. Campuses should also be prepared to track and report to subsequent appropriation committees on the amount and use of these funds.

CAPITAL ASSET APPROPRIATIONS

Section 29 of HB1003 (2003) directs the use of \$50,000 in MaSU capital asset line item be used for the improvement of the sound system in Old Main.

Section 30 of HB1003 (2003) directs the use of \$97,000 in MiSU-BC capital asset line item be used for air-conditioning related repairs.

TUITION AND FEES

See separate documents outlining proposed rate increases.

Mrs. Glatt pointed out that the funding reductions outlined in the technology pool are still preliminary. She suggested that some of the final figures may change slightly.

Success II Final Reports

Dr. Olscamp, MaSU, and Dr. Chaffee, VCSU, presented their final Success II reports. Dr. Chaffee also presented a new VCSU mission statement for SBHE approval. Following discussion, the Board delayed action on the reports and mission statement until a future meeting. The reports are on file in the system office.

NDUS Foundation

President Stroup said the annual meeting of the NDUS Foundation will be held in June 2003.

PUBLIC COMMENT

Ms. Kostelecky commended Mr. Askvig for his report on the history of the SBHE. She requested the report be kept on file in the system office.

ANNOUNCEMENTS

The next State Board of Higher Education meeting will be held at Twin Oaks Resort, Bottineau, June 26-27, 2003.

REVIEW OF BOARD MEETING

No comments were made.

The Board recessed at 3:25 p.m. and reconvened at 4:00 p.m.

Board members met for coffee with leaders from student government, staff senate, and faculty senate.

COMMUNITY MEETING

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

The Board recessed at 6:15 p.m. and reconvened May 9, 2003, at 8:00 a.m.

MAJOR CAPITAL PROJECT TOUR

Board members were given a driving tour of the NDSU campus.

The meeting adjourned at 9:00 a.m.

