

ND STATE BOARD OF HIGHER EDUCATION

Minutes—September 16, 2004

Devils Lake, ND

The State Board of Higher Education met September 16, 2004, in the Chautauqua Gallery on the campus of Lake Region State College. The Board president called the meeting to order at 8:45 a.m. Members present:

Mr. Bruce I. Christianson, President	Mr. Ralph Kingsbury
Ms. Pamela Kostelecky, Vice President	Dr. Richard Kunkel
Mrs. Sue Andrews	Mr. John Q. Paulsen
Mrs. Beverly Clayburgh	Dr. Ann Burnett, Faculty Advisor
Ms. Kayla Effertz	

Presidents, campus deans, and campus representatives present:

Dr. Lee Vickers, DSU	Dr. Sharon Hart, NDSCS
Dr. Sharon Etemad, LRSC	Dr. Joe Chapman, NDSU
Dr. Pam Balch, MaSU	Mr. Bob Gallager, UND
Dr. David Fuller, MiSU	Dr. Ellen Chaffee, VCSU
Dr. Ken Grosz, MiSU-BC	Dr. Joe McCann, WSC

Staff members present:

Dr. Robert L. Potts, Chancellor
Dr. Michel Hillman, Vice Chancellor for Academic & Student Affairs
Ms. Laura Glatt, Vice Chancellor for Administrative Affairs
Mr. Eddie Dunn, Vice Chancellor for Strategic Planning/Executive Director CTEC
Mr. H.P. Seaworth, General Counsel/Executive Secretary
Ms. Debra Anderson, Public Affairs Director
Ms. Anna Domagala, Administrative Secretary/Computer Support
Ms. Sheila Tibke, SBHE Administrative Secretary/Financial Aid Assistant

Senator Mike Every attended portions of the meeting.

BREAKFAST MEETING

Board members met for breakfast in the Dining Room with leaders from student government, staff senate, and faculty senate.

Minutes

It was moved by Clayburgh, seconded by Kunkel, to approve the minutes of the June 10, 2004, June 17, 2004, July 14-15, 2004, and July 29, 2004. Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostelecky, and Christianson voted aye. The motion carried.

BOARD PRESIDENT'S REPORT

President Christianson reported he and Chancellor Potts attended the Midwest Higher Education Compact and the Western Interstate Commission of Higher Education forum on August 19-20, 2004, in Minneapolis. The forum focused on access and retention. Senator Nething, Rep. Martinson, and Mr. Bill Goetz, Governor's office, also attended the forum.

President Christianson also reported that a request for \$150,000 has been submitted to the Emergency Commission for the additional costs associated with the delay in the ConnectND project. The Commission will meet at the end of September.

President Christianson further reported that he and Chancellor Potts have met with the governor and discussed NDUS priorities focused on core functions and economic enhancements among other issues. The budgets submitted to the governor were discussed at length.

CHANCELLOR'S REPORT

Chancellor Potts reported:

- ♦ He has visited eight of the eleven campuses.
- ♦ He met the governor and his staff, many statewide office holders, the legislative leadership and other members of legislative committees.
- ♦ He traveled to Washington, D.C., to meet the congressional delegation and their staffs.
- ♦ He participated in various news conferences.
- ♦ He addressed via videotape the annual EPSCoR conference in Grand Forks September 10.
- ♦ Third week enrollment indicates an increase in enrollment across the system.
- ♦ He is working on a plan to recruit international students in conjunction with the Cabinet.
- ♦ Mr. Henry Liaw, a man involved in grain trade negotiations between North Dakota and China, presented an overview of the NDUS to a conference of about 20,000 higher education decision makers from throughout Asia in Beijing August 25. A 20-minute PowerPoint presentation targeted specifically to this audience was prepared by Debra Anderson of the NDUS for this presentation.
- ♦ The State Board of Nursing has approved the two-year campus nursing program

STUDENT ASSOCIATION REPORT

Mr. Chad Johnson, ND Student Association (NDSA) president, reported the NDSA will be having their first meeting September 17, 2004. He distributed a schedule of NDSA meetings and

a list of officers for 2004-2005. An election will be held to fill the vacancies of the vice president and student member on the Academic Affairs Council. NDSA plans to host a higher education day in January during the legislative session, as they have done in the past.

COUNCIL OF COLLEGE FACULTIES REPORT

Dr. Burnett reported the Council of College Faculties (CCF) recently held their first meeting of the academic year. At this meeting, the CCF reaffirmed their commitment for liaisons to Board members and discussed their goals for the year, the long-term finance plan, and the legislative agenda.

BOARD BUSINESS

2004-2005 SBHE Objectives

President Christianson presented draft objectives for the SBHE for 2004-2005. These objectives were drafted as a result of the July NDUS retreat.

It was moved by Andrews, seconded by Effertz, to adopt the following resolution.

WHEREAS, SBHE Policy 303.2 provides that the North Dakota State Board of Higher Education shall annually establish Board objectives for each twelve-month period beginning July 1; and

WHEREAS, Board objectives must be consistent with the strategic plan adopted according to N.D.C.C. § 15-10-14.2; and

WHEREAS, the objectives shall serve as the framework for setting the Board's meeting agendas for the next twelve-month period; and

WHEREAS, the Board during its meeting in Medora on July 14 and 15, 2004, developed a tentative list of 2004-05 objectives, for the period beginning July 1, 2004, and ending June 30, 2005; and

WHEREAS, this tentative list of objectives is addressed in the 2004-05 objectives attached (listed below) or through tasks that have been assigned to the chancellor and NDUS office staff; and

WHEREAS, the chancellor and his staff prepared and campus presidents have approved work plans with detailed assignments and deadlines for all of the other objectives developed on July 14-15 and shown on the attachment (listed below); and

WHEREAS, the objectives on the attachment (listed below) are consistent with the Board's strategic plan adopted according to N.D.C.C. §15-10-14.2;

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Board of Higher Education that it adopts for its objectives for the period July 1, 2004, to June 30, 2005, those objectives shown on the attachment (listed below).

Objective 1-1: Develop and carry out a legislative agenda (including and with emphasis on long-term finance plan, maintaining the Roundtable concept of flexibility with accountability, and economic development centers of excellence).

Objective 2-1: Streamline system procedures/operations (i.e., recommend where NDUS office and board procedures and operations can be streamlined to improve service to campuses, continue and increase board efficiency and reduce system time-demands on board, presidents and staff members).

Objective 3-1: Implement state-wide needs assessment initiative, including serving the needs of career and technical programs across the state and addressing the issue of “soft skills” emphasized by the Roundtable.

Objective 3-2: Complete the development and implementation of state-wide internship program in cooperation with the Governor’s office and other state agencies (in compliance with language included in HB 1003).

Objective 4-1: Complete campus mission clarification and refine program approval process.

Objective 4-2: Develop and implement incentives for collaboration among campuses.

Objective 5-1: Sustain the momentum of the Roundtable with special focus on private sector involvement and continued ownership.

Objective 5-2: Ensure successful and timely implementation of ConnectND at all campuses.

Objective 5-3: Update and implement NDUS communications plan.

Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostelecky, and Christianson voted aye. The motion carried.

Legislative Agenda Summary

Chancellor Potts presented a one-page legislative agenda prepared by the Legislative Agenda Task Force. The document focuses on the long-term finance plan and increased investments in economic enhancement. **It was moved** by Clayburgh, seconded by Andrews, to adopt the following resolution.

WHEREAS, the legislative Agenda Task Force was formed December 17, 2003, to develop a legislative agenda in preparation for the 2005 Legislative Session; and

WHEREAS, the 2005 NDUS Legislative Agenda developed by the committee supports the goals of the Roundtable on Higher Education; and

WHEREAS, the 2005 NDUS Legislative Agenda focuses on a dual mission for the North Dakota University System as defined by the Roundtable on Higher Education; and

WHEREAS, the key components of the 2005 NDUS Legislative Agenda are continued progress on the Long-Term Finance Plan, to support the University System's core functions and increased investments in economic enhancement; and

WHEREAS, the resulting 2005 NDUS Legislative Agenda summary document has been prepared in conjunction with SHBE Objective 1-1; and

WHEREAS, the 2005 NDUS Legislative Agenda summary document has been developed to present to the State Board of Higher Education and Roundtable on Higher Education for their review and support;

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Board of Higher Education supports the draft document, and requests additional input be sought from members of the Roundtable on Higher Education.

Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostelecky, and Christianson voted aye. The motion carried. The draft legislative agenda is attached to the original minutes as Exhibit A.

Accountability Measures

Mr. Dunn presented an accountability measures report that outlined a process and potential revisions to the accountability measures. The report was drafted from discussions at the June 15, 2004, Roundtable meeting and the July 14-15, 2004, NDUS retreat. If adopted, the suggested changes or modifications will be presented to the members of the Roundtable for their consideration and adoption.

Chancellor Potts said the Interim Committee on Higher Education adopted a resolution to study the accountability measures during the 2005-2007 biennium. He said in anticipation of that study, the university system has begun a review of the accountability measures, as reported by Mr. Dunn, taking into consideration the discussion at the June Roundtable meeting and the NDUS's Strategic Plan. He said the system is planning to draft proposed changes and have those changes reviewed by the Roundtable in time for the 2005 legislative session. He also said the Legislative Governmental Performance and Accountability Committee has a bill draft that would impose a strategic planning and accountability structure on all State agencies. Since the NDUS is already obligated to have a strategic plan and accountability measures report, the NDUS is seeking an exemption from this proposed new legislation.

Based on SBHE discussion, President Christianson asked Mr. Dunn to draft a resolution and present it later in the meeting outlining the SBHE's support for an exemption from any additional state planning and accountability reporting requirements.

It was moved by Andrews, seconded by Kunkel, to adopt the following resolution.

WHEREAS, N.D.C.C. §15-10-14.2 requires that the State Board of Higher Education provide an annual performance and accountability report regarding performance and progress toward the goals outlined in the university system's strategic plan and accountability measures; and

WHEREAS, in section 18 of chapter 3 of the 2003 ND Session Laws (HB 1003), the state legislature set forth a list of items for which information is required in the Board's performance and accountability report; and

WHEREAS, the Board has added to the list of measures established by the legislature in order to comply with N.D.C.C. §15-10-14.2 and to ensure that specific accountability measures relate to the six cornerstones of the roundtable report; and

WHEREAS, the Legislative Council's Interim Committee on Higher Education at its June 15, 2004, meeting adopted a recommendation to review the accountability measures relating to the Roundtable on Higher Education; and

WHEREAS, university system and campus officials have during the last few months discussed and provided system and campus perspective on the accountability measures; and

WHEREAS, the chancellor's cabinet at its September 1-2, 2004, retreat reviewed and approved a report including recommendations concerning the Board's accountability measures; and

WHEREAS, review by the SBHE and Roundtable on Higher Education is important since these measures are an outgrowth of the work of the Roundtable and SBHE; and

WHEREAS, final proposed changes to SBHE required measures will be forwarded to the SBHE in November for final approval; and

WHEREAS, the report approved by the cabinet includes these five recommendations; 1) the December 2004 accountability measures report be published using the same format and accountability measures as in the past; 2) an attached matrix be used to review the accountability measures for identifying specific accountability measures considered valuable but not included in the list of accountability measures, refining current accountability measures as needed, and identifying those accountability measures recommended for deletion; 3) the proposed revisions to the accountability measures be reviewed by the roundtable or roundtable subcommittee prior to presentation to the legislature; 4) a special effort be made to help individuals involved in providing accountability measures information understand the underlying principles of the roundtable as outlined in the report; and 5) avoid separating what would be considered legitimate accountability measures from "facts" in the accountability report since they should be considered one and the same; and

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Board of Higher Education that it approves the process for review of the measures as outlined above, including suggested changes or modifications.

Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostelecky, and Christianson voted aye. The motion carried.

Deficiency Appropriation

It was moved by Andrews, seconded by Clayburgh, to adopt the following resolution.

WHEREAS, pursuant to N.D.C.C. § 54-44.1-05, the Office of Management and Budget (OMB) drafts all state agency appropriation bills, including an appropriation bill for needed deficiency appropriations; and

WHEREAS, a deficiency appropriation is an appropriation for the current biennium (2003-05) which the legislature will act on early in the 2005 legislative session; and

WHEREAS, on September 7, 2004, OMB notified state agencies that deficiency appropriation requests must be submitted by October 4, 2004; and

WHEREAS, NDSU and UND need to submit deficiency appropriation requests for recent flood-related costs; and

WHEREAS, NDUS campuses may have additional costs for which deficiency appropriations may be needed; and

WHEREAS NDUS campuses require time to review deficiency appropriation needs, gather documentation and submit requests; and

WHEREAS, SBHE Policy 802.6 provides for Board approval of all NDUS budget requests; and

WHEREAS, campuses will not have deficiency appropriation requests ready in time for the September 16, 2004, State Board of Higher Education meeting and the Board will not meet again prior to October 4, 2004; and

WHEREAS, campuses are able to submit deficiency appropriation requests for chancellor approval prior to October 4, 2004;

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Board of Higher Education that the chancellor is delegated authority to review and approve 2003-05 campus deficiency appropriation requests on behalf of the State Board of Higher Education.

Chancellor Potts indicated he will consult with the Board president before approving 2003-2005 campus deficiency appropriation requests. Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostecky, and Christianson voted aye. The motion carried.

Board Policy Manual Revisions

SBHE Policy 402.1.1 – Admission Policies-Standardized Test Scores

Dr. Hillman presented SBHE Policy 402.1.1 – Admission Policies-Standardized Test Scores. Dr. Hillman said a written essay component will be implemented as an optional component of the ACT and a required component of the SAT. Dr. Hillman said the Academic Affairs Council discussed this change extensively since it involves an additional cost to the student but reached consensus that it was important to require the writing component. The writing test will assist in evaluation of applicants, advising and counseling applicants and students, tracking student progress, evaluating admissions requirements, and other tasks. It was the consensus of the

Cabinet to recommend Board approval. Dr. Hillman requests the Board waive the requirement of a second meeting to allow more time to notify students planning to take the ACT.

There was some discussion about leaving the option to individual institutions to require the writing component of the ACT. Dr. Hart was concerned this may negatively affect the community colleges and out-of-state recruitment. Several Board members expressed the importance of students being able to write effectively.

It was moved by Paulsen, seconded by Kingsbury, to adopt the following resolution.

WHEREAS, SBHE Policy 402.1.1, relating to admission policies, requires that every applicant for undergraduate admission complete and submit scores from either the American College Test (ACT) battery or the Scholastic Aptitude Test (SAT); and

WHEREAS, the SAT now includes a required writing essay component; and

WHEREAS, the ACT has added a writing essay component, which is optional and not required; and

WHEREAS, the consensus among university system admissions and academic affairs officers is that having all applicants complete the writing essay component will assist in evaluation of applicants, advising and counseling applicants and students, tracking student progress, evaluating admissions requirements and other tasks; and

WHEREAS, some applicants take the ACT test more than one year in advance of the term for which they apply for undergraduate admission and so more than one year of advance notice should be given before any change in ACT test requirements takes effect; and

WHEREAS, the NDUS Academic Affairs Council forwarded to the chancellor a recommendation that the Board amend SBHE Policy 402.1.1 to require the writing essay component for Act tests beginning with applicants who apply for admission for the fall 2006 term; and

WHEREAS, the Chancellor's Cabinet concurs with the Academic Affairs Council recommendation; and

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Board of Higher Education that it approves introduction and first reading of the recommended amendment to SBHE Policy 402.1.1, as shown on the attachment.

Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostelecky, and Christianson voted aye. The motion carried. The policy is attached to the original minutes as Exhibit B.

The Academic Affairs Council and the Chancellors Cabinet will further review and discuss the change to Policy 402.1.1 before the November 2004 Board meeting. Dr. Hillman suggested this issue be discussed at the joint boards meeting this fall.

It was moved by Andrews, seconded by Kunkel, to adopt the following resolutions.

SBHE Policy 409—Degrees Offered

WHEREAS, SBHE Policy 409, relating to degrees offered, lists all certificates and degrees that may be offered at NDUS institutions; and

WHEREAS, at its June 2004 meeting, the State Board of Higher Education approved a new Associate in Science – Nursing (A.S.N.) program at NDSCS; and

WHEREAS, at its June 2004 meeting, the Board approved a new Doctor of Nursing program (DNP) at NDSU; and

WHEREAS, at its June 2004 meeting, the Board approved a new Bachelor of Fine Arts program at MiSU; and

WHEREAS, the Academic Affairs Council and Chancellor’s Cabinet have recommended that SBHE Policy 409 be revised and updated to incorporate the new programs at NDSCS, NDSU, and MiSU; and

WHEREAS, SBHE Policy 330, which generally requires introduction and first reading of a policy amendment at one meeting followed by second reading and final adoption at a second meeting, permits waiver of the second meeting requirement when circumstances calling for expeditious action exist; and

WHEREAS, proposed amendments to Policy 409 will update the policy to incorporate degrees the Board has already approved, which is a circumstance calling for expeditious action;

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Board of Higher Education that it waives the requirement of a second meeting and approves introduction and final adoption of the recommended amendments to SBHE Policy 409, as shown on the attachment.

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SBHE Policy 830.2—Refund Policy

WHEREAS, SBHE Policy 830.2 implements a federal law requirement that higher education institutions adopt a policy governing refunds of tuition and other fees charged students; and

WHEREAS, Policy 830.2 and an implementing procedure include refund schedules consistent with federal law guidelines; and

WHEREAS, existing refund schedules are compatible with administrative systems in use at the time the schedules were adopted; and

WHEREAS, ConnectND will result in new administrative systems employing PeopleSoft software at all NDUS campuses; and

WHEREAS, minor revisions to the refund schedules are required to make the schedules compatible with PeopleSoft software; and

WHEREAS, all campuses except NDSU, UND, MiSU, and MiSU-Bottineau have now moved to the new administrative systems, requiring implementation of revised refund schedules at those campuses for the fall 2004 term; and

WHEREAS, NDSU, UND, MiSU, and MiSU-Bottineau will move to the new administrative systems on or about July 2005, requiring implementation of revised refund schedules at those campuses for the fall 2005 term; and

WHEREAS, the Administrative Affairs Council developed a revised refund schedule, compatible with PeopleSoft software and consistent with federal law requirements, which is incorporated in recommended amendments to Policy 830.2 and the implementing procedure; and

WHEREAS, the Chancellor's Cabinet concurs with changes to Policy 830.2 recommended by the Administrative Affairs Council, as shown on the attachment; and

WHEREAS, SBHE Policy 330 which generally requires introduction and first reading of a policy amendment at one meeting followed by a second reading and final adoption at a second meeting, permits waiver of the second meeting requirement when circumstances calling for expeditious action exist; and

WHEREAS, all campuses except NDSU, UND, MiSU, and MiSU-Bottineau must implement recommended amendments to Policy 830.2 and the implementing procedure immediately, which is a circumstance calling for expeditious action;

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Board of Higher Education that it waives the requirement of a second meeting and approves introduction and final adoption of the recommended amendments to SBHE Policy 830.2, as shown on the attachment.

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SBHE Policy 918-Consumption of Alcoholic Beverages

WHEREAS, SBHE Policy 918 generally prohibits sale or consumption of alcoholic beverages on university system campuses; and

WHEREAS, Policy 918 recognizes a few limited exceptions, including family apartments and special events under permits issued by campus presidents; and

WHEREAS, the State Board of Higher Education in January of 2003 authorized UND to proceed with private development of what is known as the "Bronson Property" to include commercial, residential or recreational uses; and

WHEREAS, The Board and the state legislature earlier approved construction of the Ralph Engelstad Arena (REA) on the Bronson Property; and

WHEREAS, the Board also approve construction of a commercial hotel on the UND campus; and

WHEREAS, in approving lease agreements relating to the REA, the Board approved sale and consumption of alcoholic beverages in the REA; and

WHEREAS, the Board also approved sale and consumption of alcoholic beverages in the hotel on the UND campus; and

WHEREAS, when UND officials discussed plans for commercial development of the Bronson Property, they indicated a restaurant may be a part of that development; and

WHEREAS, UND officials have negotiated an agreement with a developer concerning construction of a restaurant on the Bronson Property, which will generate revenues for UND; and

WHEREAS, the agreement with the developer for construction of a restaurant will, subject to Board approval, permit sale and service of alcoholic beverages; and

WHEREAS, the current approach under which the Board is asked to approve agreements making exceptions or granting “waivers” to Policy 918 after the Board has already granted approval to proceed with development under Policy 910.1 causes unnecessary delays and uncertainty for developers and lessees and is legally questionable; and

WHEREAS, SBHE Policy 918 should be amended to recognize previous Board action and establish clear guidelines for campus officers and owners to commercial establishments located on campus; and

WHEREAS, an amended Policy 918 should include an exception permitting sale and service of alcoholic beverages on premises in restaurants, where the primary focus is on service of meals, but not in night clubs, sports bars or other establishments where the sale and service of meals is not the primary focus; and

WHEREAS, the developer is anxious to start construction of the restaurant right away so that the establishment may open in time for the World Junior Hockey Championship scheduled at the REA; and

WHEREAS, the World Junior Hockey Championship is one of the biggest attractions ever scheduled in North Dakota and is expected to draw thousands of visitors to the Grand Forks area during December 2004 and January 2005; and

WHEREAS, SBHE Policy 330, which generally requires introduction and first reading of a policy amendment at one meeting followed by second reading and final adoption at a second meeting, permits waiver of the second meeting requirement when circumstances calling for expeditious action exist; and

WHEREAS, authority for the developer to start construction of the restaurant right away under a lease developed with an amended Policy 918 so that it may open by December 2004 is a circumstance calling for expeditious action; and

WHEREAS, UND officials have requested and the chancellor concurs with the suggested amendments to Policy 918;

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Board of Higher Education that it waives the requirement of a second meeting and approves introduction and final adoption of the recommended amendments to SBHE Policy 918, as shown on the attachment.

Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostelecky, and Christianson voted aye. The motion carried. The policies are attached to the original minutes as Exhibit C.

Major Capital Project Requests

It was moved by Kunkel, seconded by Andrews, to adopt the following resolutions.

WHEREAS, NDSU previously sought and was granted authority to proceed with construction of a new College of Business building, using donations and gift funds; and

WHEREAS, funds for the College of Business building project were included in the capital assets line item for North Dakota State University in section 1 chapter 28 of the 2001 session laws (SB 2003); and

WHEREAS, the building was included in the 01-03 budget request and the 2004 NDSU Campus Master Plan revision and as a project in the NDUS 2005-2007 Campus Major Capital Projects SBHE Priority List as a non-state general fund project in the amount of \$20,000,000; and

WHEREAS, the State Board of Higher Education granted permission at its March 21, 2002, meeting for NDSU to proceed with fund raising efforts for the proposed building; and

WHEREAS, the gift funds to be used to finance the construction are part of five-year capital campaign pledges to the NDSU Foundation and the Foundation plans to use cash on hand and a short-term bond to finance construction of the building in the 2005-07 biennium; and

WHEREAS, the NDSU Foundation intends to lease the building to NDSU until bonds are paid and then, subject to Board and legislative approval, transfer the building as a gift to NDSU; and

WHEREAS, the plan to have the NDSU Foundation construct the building and then lease it and eventually donate it to NDSU is a change from what the Board and legislature previously approved; and

WHEREAS, legislative approval is required under N.D.C.C. § 15-10-12.1 to construct a building using gifts or donations; and

WHEREAS, the revised plan under which the NDSU Foundation will finance and construct the building is a prudent plan that will meet NDSU requirements;

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Board of Higher Education that it approves the request of NDSU to lease land to the NDSU Foundation and to seek legislative authorization for the NDSU Foundation to finance and construct a new NDSU College of Business building according to the attachment.

WHEREAS, 17th Avenue is owned by NDSU and is between the property occupied by the FargoDome and the Bison Sports Arena; and

WHEREAS, 17th Avenue is in a seriously deteriorated condition due to a broken underground storm sewer, which has caused the base soil to wash out from under the pavement and into the sewer system, with four to five inch ridges having formed in the avenue's driving lanes, creating a potential sinkhole; and

WHEREAS, needed repairs to 17th Avenue include replacement of the existing broken and heaved portions of the avenue from North University Drive to Albrecht Boulevard; and

WHEREAS, the water main line and storm sewer system beneath the street also need to be replaced along with the water meter, streetlights and sidewalks; and

WHEREAS, an engineer's estimate of the project cost is \$1,025,000; and

WHEREAS, it is appropriate to finance this project through the creation by the city of Fargo of a special assessment district, to be paid off by NDSU using state capital assets appropriation funds or other campus funds, without requesting additional state general fund dollars; and

WHEREAS, SBHE Policy 905 states that institutions must seek legislative approval to request creation of a special improvement district to fund improvements; and

WHEREAS, the chancellor under SBHE Policy 304.1 has delegated authority to act for the Board in the interim between Board meetings; and

WHEREAS, NDSU requested and received chancellor approval on July 12, 2004, to amend its budget request;

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Board of Higher Education that it ratifies the chancellor's action and approves the NDSU request as outline in the attachment.

WHEREAS, the State Board of Higher Education in May 2003 authorized NDSU to retain an architect for preliminary design of a Memorial Student Union addition and renovation project to be submitted for legislative authorization in the 2005 session; and

WHEREAS, in its 2005-07 budget request, NDSU requested authority for the project based on a 2002 feasibility study and the Board included a request for a \$16,000,000 project in the Board's 2005-07 budget request; and

WHEREAS, the architect retained by NDSU has been working on preliminary design; and

WHEREAS, the preliminary design indicates that to effectively address existing facility problems (mechanical systems, drainage, etc.) the project needs to be much more comprehensive than the 49,000 square feet of new space and renovation of approximately 40,000 square feet contemplated in the original request; and

WHEREAS, several key issues, including code requirements and difficulty addressing mechanical and HVAC concerns and maintaining food service operation for board contracts during construction necessitates relocating the kitchen, rather than the original concept of remodeling the existing area; and

WHEREAS, relocating the kitchen will require remodeling of the contract dining and cul-de-sac lounge spaces and other changes; and

WHEREAS, creating access to the construction site for contractors will be more costly than originally anticipated; and

WHEREAS, current demand for the facility is high and is increasing with higher enrollments at NDSU; and

WHEREAS, a revised design will add 68,712 new square feet and renovate approximately 123,194 square feet of the current building; and

WHEREAS, eliminating parts of the design to keep it within the requested \$16,000,000 spending authority would result in a facility that falls short of meeting the current and projected future needs on the NDSU campus; and

WHEREAS, the project will be financed through revenue bonds, to be repaid with student fees and dining services and Varsity Mart revenues; and

WHEREAS in April 2003 NDSU students voted to approve a fee increase beginning with the fall 2004 semester to generate funds required to make annual bond payments; and

WHEREAS, other fund sources including reserves, R&R accounts and fund that have accrued through collection of the bond fee that exceeds the current payment will be used to pay for movable equipment and furnishings; and

WHEREAS, the estimated total cost of the revised design is \$22,000,000; and

WHEREAS, NDSU will have sufficient fund available to pay the increased bond payments required to finance the revised project;

NOW, THEREFORE, BE IT RESOLVED by the North Dakota State Board of Higher Education that it approves NDSU's request to increase the Memorial Union addition and renovation project authorization amount from \$16,000,000 to \$22,000,000 and to seek approval for the revised amount from the 2005 legislature, as shown on the attachment.

Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostelecky, and Christianson voted aye. The motion carried. The above attachments are attached to the original minutes as Exhibit D.

Consent Agendas

Academic Consent Agenda

It was moved by Andrews, seconded by Paulsen, to approve the following academic consent agenda items.

- ♦ An Associate in Applied Science Degree in Speech Language Pathology Assistant offered jointly between LRSC and WSC
- ♦ A Minor in Fraud Examination at MiSU
- ♦ Change the Department of Polymers and Coatings at NDSU to the Department of Coatings and Polymeric Materials
- ♦ A Bachelor of Science and a Bachelor of Arts degree with a major in Women's Studies at NDSU

- ♦ Establish a Center for Community Engagement at UND

Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostelecky, and Christianson voted aye. The motion carried.

Financial and Facility Consent Agenda

It was moved by Andrews, seconded by Clayburgh, to approve the following financial and facility consent agenda items.

- ♦ Campus responses to financial related audits at UND, NDSU, LRSC, and WSC
- ♦ Allocation of an additional \$75,000 in SBHE Initiative funding for the alcohol consortium. In addition, the original allocation of \$75,000 be changed from one-time to permanent base funding to the Alcohol Consortium Project.
- ♦ Transfer \$500,000 from operating appropriation to capital assets at BSC
- ♦ Increase the NDSU Nordgaard Residence Hall cost from \$200,000 to \$342,000. Source of funds: local funds.
- ♦ Ratify the action of the chancellor in granting authorization to proceed with the NDSU Minard Hall Coal Dust issue project. Estimated cost: \$205,400. Source of funding: local funds.
- ♦ Authorization for UND to seek funding for a new Space Studies Observatory
- ♦ Authorization for UND to accept a gift of real property from the Fellows of the UND, Inc. The parcel is described as a single property, comprising approximately 160 acres (one full quarter section) of farmland located three miles east of Emerado, ND.
- ♦ Increase spending authorization for UND for residing the Gallery Apartments. Estimated cost: \$251,000 that includes all construction costs, fees, and owner costs for inspections and project coordination. Source of funds: current housing reserves budgeted for plant improvements
- ♦ Authorization for UND to accept a gift of real property from the Fellows of the UND, Inc. The property is described as a single residential lot with a street address of 516 Hamlin St. and recorded as Lot 13 of Block 5, University Place, Grand Forks, ND.
- ♦ Amend the SBHE 2005-2007 major capital project request to include the WSC Energy and Transportation Training Center Addition to the Crighton Building. Authorization for WSC to begin fundraising for the facility, pending final SBHE and legislative approval of the project at a later date. Estimated cost: \$910,000. Source of funds: non-state general funds.

Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostelecky, and Christianson voted aye. The motion carried.

Personnel Consent Agenda

It was moved by Kingsbury, seconded by Andrews, to appoint Kylie Davis, Dr. Joe McCann, and Dave Seifert, to the State Grant Advisory Board. Davis term to expire June 30, 2005, McCann and Seifert terms to expire June 30, 2007. Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostelecky, and Christianson voted aye. The motion carried.

MAJOR POLICY DISCUSSIONS & SPECIAL REPORTS

ConnectND Update

Dr. Vickers reported things are going very well. The payroll lag went well. Even though the NDUS experienced system stability issues during the first week of school, overall students were patient and positive during registration. All eleven campuses are now involved with PeopleSoft in the areas of admissions and recruitment at the undergraduate level. There were some problems with financial aid and these have been resolved. There are still some financial aid issues with related part time students but in most cases, financial aid has been disbursed. Grants and contracts is moving forward as scheduled. Chancellor Potts has directed discussions with staff at the University of Florida and Florida State University regarding their implementation of PeopleSoft, which has been helpful. Ms. Alice Brekke, UND, and Ms, Jean Blonigan, NDSU, have been appointed to form a team to monitor the grants and contracts implementation process. Stage I testing for grants and contracts is scheduled to be completed by Friday, September 24. There will be two more testing cycles, one in October and another in November, prior to January 1st go-live.

PUBLIC COMMENT

There was no public comment.

BOARD BUSINESS (cont)

Accountability Measures continued

Per earlier discussion, Mr. Dunn presented a resolution for Board consideration. **It was moved** by Clayburgh, seconded by Andrews, to adopt the following resolution.

WHEREAS, current state statute requires a strategic planning and accountability process for higher education; and

WHEREAS, public and private sector input is critical to creating a common vision and direction for higher education in ND; and

WHEREAS, the Roundtable on Higher Education provides the means for broad planning input; and

WHEREAS, the current NDUS Strategic Plan is a direct outgrowth of the Roundtable on Higher Education; and

WHEREAS, the Roundtable on Higher Education has identified and recommended accountability measures for the NDUS and these have been adopted by the SBHE and Legislative Assembly; and

WHEREAS, the results of these measures are reported annually to the SBHE and to legislative committees; and

WHEREAS, the Roundtable on Higher Education recommended that the accountability measures developed and recommended by the Roundtable serve as the sole set of measures for which the NDUS should be held accountable; and

WHEREAS, the NDUS would be willing to report periodically to interim legislative committees, as requested;

NOW, THEREFORE, BE IT RESOLVED that the North Dakota State Board of Higher Education resolves to respectfully request the current statutory planning and accountability requirements for higher education continue to be used in lieu of other additional state planning and accountability and reporting requirements.

It was moved by Paulsen, seconded by Kunkel, to amend the resolution by replacing “would be willing to” with “will” in the last WHEREAS. Andrews, Clayburgh, Effertz, Kingsbury, Kunkel, Paulsen, Kostelecky, and Christianson voted aye. The amendment carried.

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

ANNOUNCEMENTS

The next State Board of Higher Education meeting will be held at NDSCS on November 18-19, 2004.

REVIEW OF BOARD MEETING

There were no comments.

Joint Meeting with Council of College Faculties

CCF members in attendance:

John Pederson, MaSU
Lee Kruger, VCSU
LoAnn Nelson, LRSC
Douglas Munski, UND
Shirley Wilson, BSC
Jim Wright, BSC
Curt Stofferahn, UND
Chris Keller, MiSU

Discussion focused on how the Board and CCF can maximize cooperation over the next year, including during the legislative session.

President Christianson gave an overview of the budgets that were submitted to the Governor.

Communication was also discussed. The CCF would like to be better informed of Board issues that pertain to them. President Christianson encouraged CCF members to visit the NDUS website where Board and Board committee meeting agendas are posted. Chancellor Potts said the NDUS staff should be contacted if CCF members need information or have questions.

Chancellor Potts suggested forming a working group consisting of President Christianson, Dr. Burnett, Mr. Pederson, and himself to delineate the topic or issues for which consultation would be beneficial and necessary and then develop a process or procedure to relay information. President Christianson said this was a good idea and asked Chancellor Potts to report back to the Board at a future meeting.

There was also discussion on the legislative agenda. President Christianson said it is important that all constituencies of the NDUS go into the legislature with a unified voice.

The meeting adjourned at 12:10 p.m.

COMMUNITY MEETING

Community and business leaders from the Devils Lake area met with the Board, NDUS staff, and campus presidents to discuss what can be done by the private sector and other community leaders, in collaboration with the University System, which will have unsurpassed positive impact enhancing the economy of North Dakota, the quality of life of students, and all those served.

Executive Secretary

President

Date