

ND STATE BOARD OF HIGHER EDUCATION

Minutes—May 3, 2007
Wahpeton, North Dakota

BREAKFAST MEETING

Board members met for breakfast in the Student Center Red River Valley Room with campus representatives for a briefing on campus issues. No action was taken.

BUSINESS MEETING

The State Board of Higher Education met in the Student Center Plains Prairie Room. The Board president called the meeting to order at 9:05 a.m. CT. Members present:

Mr. John Q. Paulsen, president	Ms. Pam Kostelecky
Ms. Beverly Clayburgh, vice president	Mr. Nicholas Rogers
Ms. Sue Andrews	Mr. Richie Smith
Mr. Bruce I. Christianson	Dr. John Pederson, Faculty Advisor
Mr. Duaine Espegard	

Presidents, campus deans, and campus representatives present:

Dr. Larry Skogen, BSC	Dr. John Richman, NDSCS
Dr. Lee Vickers, DSU	Dr. Joe Chapman, NDSU
Dr. Sharon Etemad, LRSC	Dr. Greg Weisenstein, UND
Dr. Gary Hagen, MaSU	Dr. Ellen Chaffee, VCSU
Dr. David Fuller, MiSU	Dr. Joe McCann, WSC
Dr. Ken Grosz, MiSU-BC	

Staff members present:

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

MINUTES

It was moved by Andrews and seconded by Kostelecky to approve the minutes of the March 15, 2007, meeting. Andrews, Christianson, Espegard, Kostelecky, Rogers, Smith, Clayburgh, and Paulsen voted aye. The motion carried.

BOARD PRESIDENT'S REPORT

President Paulsen:

- ♦ Welcomed Mr. Espesgard to the SBHE.
- ♦ Announced that Dr. Vickers plans to retire as the president of Dickinson State University effective January 2008.
- ♦ Said he and Chancellor Dunn have been working on the search for Dr. Kupchella's successor. A special board conference call will likely be held later in May to appoint the members of the search committee. Requests for proposals have been sent to search firms.
- ♦ Thanked the NDUS Office staff for their hard work, dedication, and commitment during the legislative session and expressed appreciation to Governor Hoeven and the legislature for the funding appropriated to the NDUS for the 2007-09 biennium.

It was moved by Christianson and seconded by Espesgard to authorize President Paulsen, in consultation with Chancellor Dunn, to hire a search consultant for the UND presidential search. Andrews, Christianson, Espesgard, Kostecky, Rogers, Smith, Clayburgh, and Paulsen voted aye. The motion carried.

CHANCELLOR'S REPORT

Chancellor Dunn:

- ♦ Welcomed Mr. Espesgard to the Board of Higher Education.
- ♦ Commended the NDUS staff, the private sector members of the Roundtable, the North Dakota Student Association, and the college and university presidents for their special efforts during the legislative session.
- ♦ Reported that the search for a vice chancellor for strategic planning is underway and an executive director for *ConnectND* has been appointed.
- ♦ Said he met with the Australian Counsel General April 19, along with representatives from UND and NDSU, to discuss the possibility of NDSU and UND sharing programs and research with Australian institutions.
- ♦ Expressed appreciation to Dr. Vickers for his contributions to DSU and to higher education.

ND STUDENT ASSOCIATION REPORT

Robert Haskins, North Dakota Student Association (NDSA) president, said NDSA had three main goals for the 2007 legislative session and all three were met. They were to (1) work in

partnership with Board and the NDUS (2) make sure *ConnectND* was adequately funded so students wouldn't be burdened with the expense, and (3) keep annual tuition increases to 5 percent. Mr. Haskins said he appreciated the opportunity to address the legislature and to work with NDUS representatives. He thanked the NDUS for co-sponsoring the luncheon held during the legislative session.

Mr. Haskins reported the NDSA held elections at their last meeting. Haylee Cripe, UND, was elected president and Frank Michael, NDSU, was elected vice president.

Mr. Haskins indicated that students from ten of the eleven institutions attended NDSA meetings this past year, and they are working on getting representation from the last institution in 2007-08.

COUNCIL OF COLLEGE FACULTIES REPORT

Dr. Pederson thanked President Paulsen for the hour set aside on the agenda to meet with the CCF. Dr. Pederson said the last CCF meeting for this academic year would be the week of May 7, at which time officers for 2007-08 will be elected.

Dr. Pederson also added an update to comments he made at the March Board meeting. In March, he reported the faculty's concern that online courses are not included as part of the tuition waiver benefit. At the May meeting, he said this also includes many other distance education courses.

BOARD BUSINESS

Contract Review Task Force

Mr. Christianson, chair of the Presidents and Chancellor Contract Review Task Force, briefed the Board on the progress of the task force. President Paulsen and Ms. Andrews also serve on the committee. Mr. Christianson said the task force has met twice since the end of March and once with the Chancellor's Cabinet. Stan McKnight, Stan McKnight and Associates, has been retained as a consultant. Compensation models and how to better handle the vehicle and housing allowances have been discussed, but Mr. Christianson said the task force is not prepared to make recommendations at this time. A draft report will be sent to Board members, and Mr. Christianson asked that Board members review it and send him their questions, comments, and/or concerns.

Board Policy Manual Revisions

It was moved by Christianson and seconded by Smith that the following policies are approved on second reading and final adoption, effective immediately:

- ♦ SBHE Policy 608.2 – NDUS Employees – Non-renewal and Dismissals
- ♦ Human Resource Policy 4 – Probationary Period
- ♦ Human Resource Policy 6 – Annual Leave
- ♦ Human Resource Policy 7 – Sick Leave

Andrews, Christianson, Espegard, Kostelecky, Rogers, Smith, Clayburgh, and Paulsen voted aye. The motion carried. Exhibit A.

Budget and Finance Committee Recommendations

It was moved by Christianson and seconded by Andrews to approve the following agenda items:

- ♦ Introduction and first reading of SBHE Policy 340.2 – Foundations
- ♦ The use of varying budgets for the State Grant Program for 2007-08 (\$19,100 for private institutions; \$14,400 for NDSU and UND; \$13,000 for four-year institutions; and \$10,500 for two-year institutions, including the tribal colleges) and that the grant amount be \$800 per student
- ♦ Approve the NDUS responses to the Statewide Single Audit Report, 2004-06

Per a request from Dr. Pederson, Ms. Clayburgh asked for a separate discussion and vote on the State Grant Program.

Christianson moved and Andrews seconded a substitute motion to approve introduction and first reading of Policy 340.2 (Exhibit B) and the responses to the audit report. Andrews, Christianson, Espegard, Kostelecky, Rogers, Smith, Clayburgh, and Paulsen voted aye. The motion carried.

It was moved by Christianson and seconded by Clayburgh to approve the 2007-08 annual budget and tuition guidelines, including program fees.

It was moved by Christianson, seconded by Andrews, and unanimously carried to divide the question and vote on the program fees separately. The motion carried.

On the annual budget and tuition guidelines, Andrews, Christianson, Espegard, Kostelecky, Rogers, Smith, Clayburgh, and Paulsen voted aye. The motion carried.

It was moved by Christianson and seconded by Andrews to approve the program fees. Mr. Christianson expressed concerns on the continuously increasing program fees. Andrews, Espegard, Kostelecky, Rogers, Smith, Clayburgh, and Paulsen voted aye. Christianson voted no. The motion carried.

Ms. Glatt indicated the allocation to the Common Information System (Technology) Pool included in the annual budget guidelines, may need to go to UND and/or NDSU, depending on where it is administered.

The 2007-08 annual budget and tuition guidelines and program fees are attached as Exhibit C.

It was moved by Christianson and seconded by Kostelecky to approve the use of varying budgets for the State Grant Program for 2007-08 (\$19,100 for private institutions; \$14,400 for NDSU and UND; \$13,000 for four-year institutions; and \$10,500 for two-year institutions, including the tribal colleges) and that the grant amount be \$800 per student. Andrews,

Christianson, Espegard, Kostelecky, Rogers, Smith, Clayburgh, and Paulsen voted aye. The motion carried.

Mr. Christianson requested the Board discuss program fees at the June Board meeting.

Consent Agendas

Academic Consent Agenda

It was moved by Christianson and seconded by Andrews to approve the following academic requests:

- ♦ Dickinson State University's request to offer a new minor program in forensic accounting.
- ♦ Dickinson State University's request to offer a major in finance within the B.S. degree.
- ♦ Dickinson State University's request to reorganize the Department of Fine Arts into the Department of Fine and Performing Arts and the Department of Music.
- ♦ Mayville State University's request to offer a psychology education minor.
- ♦ North Dakota State College of Science's request to offer a program certificate and a diploma in nanoscience technology.
- ♦ North Dakota State College of Science's request to offer a program certificate, diploma, and A.A.S. in bio-fuels technology.
- ♦ North Dakota State College of Sciences request to terminate the John Deere Ag Sales A.A.S. and A.S. programs.
- ♦ North Dakota State University's request to terminate the minor in nutrition science.
- ♦ North Dakota State University's request to establish an applied plan breeding Institute.
- ♦ North Dakota State University's request to change the name of the Department of Sociology/Anthropology to the Department of Sociology, Anthropology and Emergency Management.

Andrews, Christianson, Espegard, Kostelecky, Rogers, Smith, Clayburgh, and Paulsen voted aye. The motion carried.

Financial and Facility Consent Agenda

It was moved by Christianson and seconded by Smith to approve the following financial and facility requests:

- ♦ Authorize North Dakota State College of Science to renovate existing space at the Skills and Technology Training Center located in Fargo for the establishment of a Nanotechnology Applied Science and Advanced Manufacturing Training Laboratory. Estimated cost: \$480,000. Source of funds: State general funds from 2005-07 would be reallocated from other equipment and laboratory upgrades to cover phase one cost (\$170,000). Phase two will be funded with grant dollars (\$310,000). If grant funding is not successful, completion of Phase II would be delayed until other grant or other sources of funds can be identified.

- ♦ Authorize North Dakota State University to renovate the Northern Crops Institute durum mill room in the amount of \$125,000. State funding for this project is currently budgeted at \$25,000 in HB1020, for 2007-09, with the remainder to come from special funds in the NCI budget.
- ♦ Authorize the University of North Dakota to expend \$450,000 for installation of security and revenue control systems. Source of funds: Housing and Auxiliary Facilities Revenue Bond Reserve Funds.

Andrews, Christianson, Espegard, Kostelecky, Rogers, Smith, Clayburgh, and Paulsen voted aye. The motion carried.

It was moved by Christianson and seconded by Smith to authorize North Dakota State University to increase the spending authorization for the North Central Research Extension Center's agronomy research laboratory and greenhouse from \$1,699,000 to \$2,090,000. The additional \$350,000 (\$400,000 if funding is restored to HB1020) is one time general fund money included in the North Central Research Center budget. Andrews, Christianson, Espegard, Kostelecky, Rogers, Smith, Clayburgh, and Paulsen voted aye. The motion carried.

Personnel Consent Agenda

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

- ♦ Accept tenure report
- ♦ Approve tenure requests

BSC

Karen Arlien
 Lonnie Bertsch
 Lynette Borjeson Painter
 Amy Helgeson
 Jean Hinton
 Micheal Holman
 Michelle Lindblom
 Carmel Miller
 Ryan Pitcher
 Sean Thorenson
 Vickie Wyant

DSU

Dr. William Stankard

LRSC

Lloyd W. Halvorson

MiSU

Mohammad Saeed
 Kelly Buettner-Schmidt
 Douglas Pfliger
 Dr. Thomas Linares
 Dr. Vicki Michels
 Cheryl Nilsen

NDSCS

Harvey Henderson
 Wayne Kaehler
 Joel Krause
 Michael Schuler
 Mark Wood

NDSU

Stephen Neate
Dean Webster
Michael Christoffers
Harlene Hatterman-Valenti
Luis Del Rio Mendoza
Elizabeth Birmingham
Pamela Chabora
Gary Totten
Lisa Daniels
Wenfang Sun
Iskander Akhotov
Katie Zhong

VCSU

Dr. Kerry Gregoryk
Mr. Donald Hoff
Dr. Tanis Lovercheck-Saunders

WSC

Ms. Melanie Emmel
Dr. Dawn Olson

UND

Julie W. Anderson
Mark A. Askelson
Anamitro Banerjee
David T. Flynn
Cullen Goenner
Martin Gottschalk
David L. Heckmann
David Hollingworth
Michele A. Iiams
Gail C. Ingwalson
Warren C. Jensen
Anne V. Kelsch
Assion Lawson-Body
Hassan Reza
Gary L. Schnellert
Jefferson A. Vaughan
Marcellin Zahui
Kimberly Donehower-Weinstein
Xiquan Dong
Donna L. Morris
Richard Van Eck
Colin Combs
Van Doze
Eric Murphy
Matthew Picklo

- ♦ Appointment Rodney Howe and Doyle Johannes to the State Board of Agricultural Research and Education for four-year terms beginning July 1, 2007.

Andrews, Christianson, Espegard, Kostelecky, Rogers, Smith, Clayburgh, and Paulsen voted aye. The motion carried.

Discussion with the Council of College Faculties

The Board met with members of the Council of College Faculties. In addition to Dr. Pederson, CCF members in attendance included:

Don Poochigian, UND
Fernando Quijano, DSU
Tom Barnhart, NDSU
Harlene Hatterman-Valenti, NDSU
Neil Mueller, NDSU

LoAnn Nelson, LRSC
Shirley Wilson, BSC
Ann Smith, NDSCS
James Crawford, VCSU

CCF members thanked the Board for their support of the 5/5 percent salary increases, allowing flex benefits to be extended into the following year, and release time granted to CCF officers.

It was announced that the Arts and Humanities Summit will be held at Bismarck State College in 2008.

CCF members discussed how faculty salaries lag in North Dakota, how promotions vary among NDUS institutions, and how tuition benefits to faculty and staff dependents vary among NDUS institutions. They requested that a committee be formed to look at how promotions are allocated, tuition benefits, and the TIAA-CREF contributions. President Paulsen said he would discuss these issues with Chancellor Dunn and Dr. Hillman.

Chancellor Dunn commended Dr. Pederson, Dr. Barnhart, and the members of the CCF for their efforts during the legislative session.

MAJOR POLICY DISCUSSIONS & SPECIAL REPORTS

2007 Legislation

Ms. Glatt and Mr. Seaworth provided a summary of legislation from the 2007 Legislative Session.

Ms. Kostelecky and Mr. Christianson left the meeting at this time.

COMMUNITY MEETING

Community and business leaders from the Wahpeton area met with the Board, NDUS staff, and college and university presidents to discuss NDSCS success stories. No action was taken.

MAJOR POLICY DISCUSSIONS & SPECIAL REPORTS (continued)

2007 Legislation (continued)

Ms. Glatt and Mr. Seaworth continued providing a summary of legislation from the 2007 Legislative Session.

ConnectND

Mr. Randall Thursby, NDUS chief information officer, introduced Mr. Mick Pytlik, newly appointed *ConnectND* executive director.

Ms. Bonnie Neas, interim deputy CIO/*ConnectND* executive director, provided an update on *ConnectND*. Ms. Neas said the 10 recommendations that received funding in the 2007 Legislative Session will move the system forward, but do not provide for a complete system.

She said these recommendations should have been part of the original configuration if the resources had been available.

It was moved by Smith and seconded by Andrews to approve the following resolution.

WHEREAS, Bonnie Neas has served as North Dakota University System's interim deputy CIO and executive director of ConnectND since May 16, 2006, and

WHEREAS, Bonnie Neas has served in this position with great distinction and has provided exceptional leadership for the ConnectND project and staff, and

WHEREAS, Bonnie Neas is a nationally recognized IT expert who has brought national attention to the North Dakota University System information technology initiatives.

NOW, THEREFORE, BE IT RESOLVED that the State Board of Higher Education expresses its deepest appreciation to Bonnie Neas for her leadership of this important project and for her role in helping to create a brighter future for our state and for our citizens.

Andrews, Espegard, Rogers, Smith, Clayburgh, and Paulsen voted aye. The motion carried.

President Briefings

Dr. Skogen, on behalf of the employees of BSC, expressed appreciation to the Board for their efforts during the legislative session, most importantly for the 5/5 percent salary increases.

PUBLIC COMMENT

No comments were made.

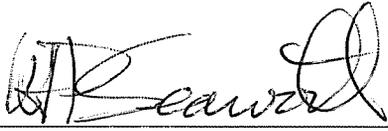
ANNOUNCEMENTS

A special board conference call will be held sometime in May to appoint a search committee for the next UND president. The next regular meeting of the State Board of Higher Education will be held at the University of North Dakota on June 21, 2007.

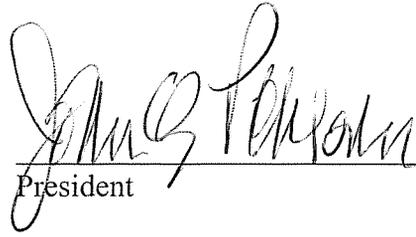
REVIEW OF BOARD MEETING

No comments were made.

The meeting adjourned at 2:40 p.m. CT.



Executive Secretary



President

6/21/07

Date

**SUMMARY AND RECOMMENDATION
SECOND READING AND ADOPTION
AMENDED SBHE POLICY 608.2**

Summary

SBHE Policy 608.2 establishes procures for non-renewal and dismissal of NDUS employees who are not included in the broadbanding system or members of the academic staff. Subsection 1 of the policy establishes notice requirements for termination of a contract without cause. The required notice is tied to length of employment or service (three months if notice is given during the first year, six months during the second year and one year thereafter). However, it is not clear whether time in service includes time employed at all institutions in any position or just at the current place of employment and only in a position or positions excluded from the broadbanding system and academic staff. For example, if an employee is employed ten years in a broadbanded position and then accepts a position excluded from the broadbanding system, is the employee during the first year in the new position entitled to three months or twelve months notice if employment is terminated?

The NDUS HR Council discussed this issue and voted to recommend an amendment to clarify that time in service as the term is used in Policy 608.2 means employment at the same institution in positions excluded from the broadbanding system and academic staff. HR directors were divided on this issue, with a minority favoring an amendment stating all employment at the institution should count as time in service under Policy 608.2. The HRC vote was 7-3 in favor of the recommended amendment making the more limited change. The chancellor's cabinet reviewed this recommendation on March 1, 2007 and concurred with the HRC recommendation, without objection.

The SBHE on March 15, 2007 approved introduction and first reading.

Recommendation

I recommend the following motion be adopted by the SBHE:

“MOVE, that amendments to SBHE Policy 608.2 as shown on the attached draft of amended SBHE Policy 608.2 are approved on second reading and final adoption, effective immediately.”



Eddie Dunn, Chancellor

Date of Meeting: May 3, 2007

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION
POLICY MANUAL**

SUBJECT: PERSONNEL

EFFECTIVE: November 19, 1999

Section: 608.2 NDUS Employees – Non-renewal and Dismissals

1. Employees excluded from the broadbanding system who are not members of the academic staff at an institution may be terminated, without cause, pursuant to written notice of termination in accordance with the following schedule:
 - A. At least three months, if written notice is given during the first year of service;
 - B. at least six months, if written notice is given during the second year of service;
 - C. At least twelve months, if written notice is given thereafter.

As used in this section 1, “service” means employment at the same institution or agency in a position or positions excluded from the broadbanding system and not an academic appointment.

2. Employees excluded from the broadbanding system who are not members of the academic staff at an institution may be dismissed for just cause or based upon financial exigency as determined by the Board, loss of appropriations, loss of institutional or program enrollment, consolidation of organizational units or program areas or elimination of courses, in which cases the notice requirements of the preceding section shall not apply. If a dismissal other than for just cause is implemented pursuant to this subsection, no less than 90 days notice shall be given the employee.
3. Just cause means just cause for dismissal of staff employees as defined in the North Dakota University System Human Resource Policy Manual. Notice of intent to dismiss for cause, stating the reasons for the proposed action, shall be given by a department head or other designated official unless the employee is an institution officer who reports directly to the institution's chief executive, in which case the chief executive shall give notice, or a university system employee who reports to the Chancellor, in which case the Chancellor shall give notice. The notice shall be given at least five calendar days prior to the date of dismissal and the employee has the right, within that time, to respond in writing and request a pre-termination review. Following notice of intent to dismiss and, if requested by the employee, the pre-termination review, the department head or other designated individual, if the notice of intent to dismiss was not given by the chief executive or Chancellor, shall forward a recommendation to the institution's chief executive or Chancellor. The chief executive or Chancellor shall make a final decision and give written notice of that decision.

4. An employee who is dismissed for just cause pursuant to this policy may, within 20 days of dismissal, appeal the decision by filing a notice of appeal, accompanied by a specification of the reasons or grounds upon which the appeal is based, with the institution's chief executive or the Chancellor. The chief executive or Chancellor shall appoint a hearing officer to conduct an evidentiary hearing and submit recommended findings, conclusions and a recommended decision. The hearing officer shall conduct the hearing according to appeal procedures governing hearings conducted by a staff personnel board that are set forth in Section 27 of the North Dakota University System Human Resource Policy Manual. The chief executive or Chancellor shall make a final decision and provide written notice of that decision to the hearing officer and the employee within 20 calendar days of receiving the hearing officer's recommendation.
5. This policy applies to all employees excluded from the broadbanning system who are not members of the academic staff, and, with respect to their positions as administrators or other non-academic positions, to employees with appointments to the academic staff. This policy applies to coaches unless the employing institution has adopted a different policy governing coaches and that policy is stated or adopted by reference in a coach's employment contract, in which case the institution's policy applies. Members of the academic staff are governed by SBHE Policy Sections 605.1, 605.2, 605.3 and 605.4.
6. This policy does not apply to student residence hall assistants, work-study students and other students employed on a part-time basis for a limited term. The terms and conditions of employment for student resident hall assistants shall be stated in a written contract.

HISTORY: This policy combines parts of what were formerly SBHE Policies 305.4, 306.3 and 608.1. SBHE Minutes, November 18-19, 1999, page ____.

**SUMMARY AND RECOMMENDATION
SECOND READING AND ADOPTION
AMENDED HR POLICY SECTION 4**

Summary

HR Policy Section 4 establishes a six-month probationary period in the broadbanding system for “newly hired” employees. An employee on probationary status may be dismissed at any time without cause. The term “newly hired” is not defined and an issue has arisen regarding whether the term includes an employee who has completed a probationary period in one position and is transferred or promoted to another position.

The HR Council discussed this issue and voted unanimously to recommend an amendment stating that an employee not on probationary status (meaning the employee has completed the probationary term) who is promoted or transferred to another position at the same institution is not required to complete a second probationary term in the new position. The chancellor’s cabinet reviewed this recommendation on March 1, 2007 and concurred with the HRC recommendation, without dissent.

The SBHE on March 15, 2007 approved introduction and first reading.

Recommendation

I recommend the following motion be adopted by the SBHE:

“MOVE, that amendments to HR Policy 4 as shown on the attached draft of amended HR Policy 4 are approved on second reading and final adoption, effective immediately.”



Eddie Dunn, Chancellor

Date of Meeting: May 3, 2007

NORTH DAKOTA UNIVERSITY SYSTEM HUMAN RESOURCES POLICY MANUAL

4. PROBATIONARY PERIOD

4.1 - Newly hired New employees are in a probationary status until a satisfactory evaluation is completed prior to the end of the initial six months of employment. During such period, the employee may be terminated with one week's notice with no right to appeal. One week's pay may be given in lieu of notice. Employees who elect to resign during the probationary period are requested to give one week's notice. Employees not in probationary status who are promoted or transferred to another staff employee position at the same institution or agency are not subject to a probationary period for the new position.

4.1.1 - The original probationary period may be extended for a specific period of time not to exceed six months upon recommendation by the supervisor to the appropriate campus official. The reasons for the extension shall be in writing, signed by the supervisor, and a copy given to the employee and the appropriate campus official.

History:

Amend. Sec. 4.1 SBHE Minutes, July 25, 1985, pg 5397.

Amend. Sec. 4.1, 4.1.1 SBHE Minutes, June 20-21, 1991, pg 6143.

Amend. Sec. 4.1, 4.1.1, 4.2 SBHE Minutes, March 20, 1997, pg 6744.

**SUMMARY AND RECOMMENDATION
SECOND READING AND ADOPTION
AMENDED HR POLICY SECTION 6**

Summary

HR Policy Section 6 concerns annual leave. Subsection 6.7 of the policy payment for unused annual leave when employment is terminated. The policy is silent on payment of unused annual leave if an employee transfers from a position in which there is annual leave accrual to a faculty or other position where there is no annual leave.

To establish uniform procedures at all institutions, the HRC recommends an amendment requiring payment of unused annual leave at the time of transfer if an employee transfers from a position with annual leave accrual to a faculty or other position. The HRC also recommends removal of a sentence in subsection 6.7 regarding a deduction from an employee's last paycheck for use of unearned annual leave because it apparently is inconsistent with state law. The HRC recommends adding language to subsection 6.10 stating, "the deduction may be made with the employee's agreement, which may be obtained at the time unearned leave is approved," as a substitute for the deleted language. The HRC was unanimous in recommending these amendments. The chancellor's cabinet on March 1 agreed with the HRC recommendations, without dissent.

The SBHE on March 15, 2007 approved introduction and first reading.

Recommendation

I recommend the following motion be adopted by the SBHE:

"MOVE, that amendments to HR Policy 6 as shown on the attached draft of amended HR Policy 6 are approved on second reading and final adoption, effective immediately."



Eddie Dunn, Chancellor

Date of Meeting: May 3, 2007

NORTH DAKOTA UNIVERSITY SYSTEM HUMAN RESOURCES POLICY MANUAL

6. ANNUAL LEAVE

6.1 - Annual leave with pay is earned by staff employees for the purpose of freeing them from their regular duties to spend time in rest and recreation. Institutional operations govern annual leave periods. Consideration is given first to the convenience of the administration, departmental needs, then the employee's departmental seniority and finally to employee's preference.

6.2 - Annual leave with pay for benefited full-time employees accrues based on rate per hour and is earned on the basis of continuous service from date of employment as follows:

- First through third year - the equivalent of 12 days per year
- Fourth through seventh year - the equivalent of 15 days per year
- Eighth through twelfth year - the equivalent of 18 days per year
- Thirteenth through eighteenth year - the equivalent of 21 days per year
- Over eighteen years - the equivalent of 24 days per year

Years of service shall be computed from employment anniversary date.

6.3 - Annual leave for benefited part time employees is earned on a prorated basis.

6.3.1 - Accumulated annual leave, up to 240 hours (or the equivalent on a prorated basis for benefited part-time employees) shall be carried forward on January 1 of each year. However, Connect ND project staff or other employees unable to use all earned annual leave due to the Connect ND project may, subject to the following limitations, carry forward up to 700 hours, on January 1, 2005, up to 550 hours, on January 1, 2006, and up to 400 hours, on January 1, 2007. Prior written approval of the employing institution's chief fiscal officer, or, for university system employees, the vice chancellor for administrative affairs, is required. Employees granted approval to carry forward additional hours must use at least eighty hours annual leave each calendar year. Carryover balances must be reduced to not more than 240 hours no later than January 1, 2008.

6.4 - Presidents, executive deans, provosts, vice presidents, positions excluded from the broadbanding system, and other positions approved by the president or chancellor at the time of hire are entitled to a minimum of twelve working days and a maximum of twenty-four working days of annual leave each year to be taken at the convenience of the administration. Accrual rates for these employees are determined by the institution president or chancellor.

6.5 - Benefited staff employees eligible to accumulate annual leave must take forty hours (or the equivalent on a prorated basis for benefited part-time employees) of annual leave per year except for the year during which they are hired.

6.6 - When a holiday occurs during annual leave, the holiday is not considered a day of annual leave.

NDUS Human Resources Manual
Section 6. Annual Leave, Cont'd.

6.7 - Benefited staff employees terminating employment, or transferring to a position wherein annual leave accrual benefits do not apply, must be paid for earned unused annual leave at the hourly rate applicable at the time of termination or transfer subject to all approved payroll matched reductions/deductions. Unused annual leave shall include any leave carried over from the previous year and all accrued leave up to the date of termination. ~~Proper termination notice must be given and any unearned annual leave taken shall be deducted from the employee's last paycheck.~~

6.8 - In case of death, all earned, unused annual leave shall be paid according to Sec. 34-01-12 of the North Dakota Century Code.

6.9 - Accrued annual leave for employees previously employed with other North Dakota institutions or agencies may be transferred to institutions under the State Board of Higher Education according to agreements between the employee and institution. If re-employment occurs within one calendar year, the re-employing institution shall credit the employee with prior years of service from any state agency in computing the annual leave accrual rate.

6.10 – At the discretion of the department head and the concurrence of the appropriate administrative officer, an employee may be granted annual leave in advance of the accumulation thereof. If an employee terminates employment, any annual leave taken in advance of accumulation shall may be deducted from the employee's last paycheck provided the employee has signed an agreement authorizing the deduction.

**SUMMARY AND RECOMMENDATION
SECOND READING AND ADOPTION
AMENDED HR POLICY SECTION 7**

Summary

HR Policy Section 7 concerns sick leave. Subsection 7.6 relates to granting of sick leave in advance of accumulation and deduction of the value of such leave from an employee's last paycheck.

The HRC recommends an amendment to subsection 7.6 to conform to state law. The policy now requires a deduction from the last paycheck for sick leave taken in advance, which apparently is inconsistent with state law. To remedy this, the HRC recommends language to provide that the deduction may be made with the employee's agreement. This change will make the policy consistent with state law. The intent is that institutions would have an employee execute an agreement permitting the deduction at the time approval for sick leave taken in advance of accumulation is granted. The HRC was unanimous in recommending these amendments. The chancellor's cabinet on March 1 agreed with the HRC recommendations, without dissent.

The SBHE on March 15, 2007 approved introduction and first reading.

Recommendation

I recommend the following motion be adopted by the SBHE:

“MOVE, that amendments to HR Policy 7 as shown on the attached draft of amended HR Policy 7 are approved on second reading and final adoption, effective immediately.”



Eddie Dunn, Chancellor

Date of Meeting: May 3, 2007

NORTH DAKOTA UNIVERSITY SYSTEM HUMAN RESOURCES POLICY MANUAL

7. SICK LEAVE

7.1 - Sick leave, including maternity, is a benefit granted by the institution to staff employees and is not a benefit considered to be earned by the employee such as annual leave. It is an insurance benefit allowing employees to build a reserve of days they can use for their extended illnesses. Sick leave may be used by an employee when:

- a. The employee is ill or injured and is unable to work.
- b. The employee has an appointment for the diagnosis or treatment of a medically related condition.
- c. The employee wishes to attend to the needs of an eligible family member who is ill or to assist them in obtaining other services related to their health or well-being. Eligible family members include the employee's spouse, parent (natural, adoptive, foster, and step-parent); child (natural, adoptive, foster, and step-child); or any other family member who is financially or legally dependent upon the employee or who resides with the employee for the purpose of the employee providing care to the family members. Sick leave used for these purposes shall not exceed forty hours per calendar year.

7.1.1 - Employees who use sick leave are responsible for informing their supervisors prior to the start of their scheduled work period. The employing department may require satisfactory medical verification as deemed necessary by the department head prior to the payment of sick leave.

7.2 - Sick leave is granted on the basis of continuous service from date of employment for benefited staff employees.

7.3 - Sick leave for full-time benefited staff employees accrues based on rate per hour at a rate equivalent to 12 days per year. Sick leave for benefited part-time employees working twenty hours or more per week is granted on a prorated basis. Sick leave accumulation is unlimited.

7.4 - Sick leave may be granted to employees who become ill while on vacation provided satisfactory medical proof of such illness is submitted.

7.4.1 - When a holiday occurs during a paid sick leave the holiday is not considered a day of sick leave.

7.5 - An employee with at least ten continuous years of state employment who leaves the employ of the state, is entitled to a lump-sum payment equal to one-tenth of the pay attributed to the employee's unused sick leave accrued under this Section 7 and in accordance with N.D.C.C. Section 54-06-14. The pay attributed to the accumulated, unused sick leave must be computed on the basis of the employee's salary or wage at the time the employee leaves the employ of the state.

NDUS Human Resources Manual
Section 7. Sick Leave, Cont'd.

7.6 - At the discretion of the department head and the concurrence of the appropriate administrative officer, an employee may be granted sick leave in advance of the accumulation thereof. If an employee terminates employment, any sick leave taken in advance of accumulation shall may be deducted from the employee's last paycheck provided the employee has signed an agreement authorizing the deduction.

7.7 - Accrued sick leave is transferable from any state agency to the employing institution if employment with the institution occurs within one calendar year of termination of service with the state agency.

History:

Amend. 7.1, 7.2, 7.3, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10 SBHE Minutes, June 20-21, 1991, pg 6143.

Amend. Sec. 7.1 SBHE Minutes, June 27, 1988, pg 5731.

Amend. Sec. 7.5, 7.6 SBHE Minutes, June 25, 1992, pg 6253.

Amend. Sec. 7.1, 7.1.1, 7.2, 7.3, 7.6, 7.7, 7.8, 7.9 SBHE Minutes, March 20, 1997, pg 6744.

Amend. Sec. 7.2, 7.3 SBHE Minutes, April 26-27, 2001.

Amend. Sec. 7.3, SBHE Minutes, September 25-26, 2003.

Amend. Sec.7.3, SBHE Minutes, June 17, 2004.

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION
POLICY MANUAL**

SUBJECT: GOVERNANCE AND
ORGANIZATION

EFFECTIVE: November 19, 1999

Section: 340.2 Foundations

1. The purpose of this policy is to promote and strengthen the operations of an institution's foundations, alumni associations, athletic clubs and other related organizations, hereinafter referred to as "foundations". The following provisions set forth a frame work which enables and enhances a sound and mutually supportive foundation/institution relationship. The foundation/institution relationship is derived from a shared interest in the institution's development. An institution's participation in and support of foundation operations are, therefore, appropriate and desirable.
2. For the purposes of this policy, a foundation is defined as an independent, non-profit organization that exists solely to support and advance the mission and objectives of an institution or institutional functions.

Foundation/Institution Relationship:

3. A foundation is a private legal entity separate from the institution and must be governed accordingly to protect the foundation's private, independent status. However, because the Board of Higher Education is responsible for ensuring the integrity and reputation of the University System it must be assured that any affiliated foundation will adhere to standards appropriate to such organizations. Therefore, each institution's president shall enter into a written operating agreement that outlines the relationship between the institution and its foundation(s) defining the role and activities of the foundation(s). This agreement must include:
 - a. A description of the services and benefits the institution and foundation provide each other and any payments made, including use of ~~the institution~~ or foundation's facilities, equipment, ~~and staff in the performance and foundation activities~~ or employees by the other party or payments by one party to the other or to the other party's employees;
 - b. A process to ensure that the foundation will solicit input from the institution before defining the major needs and priorities of the foundation
 - c. A requirement to provide the institution with an annual GAAP audit of the foundation for:
 1. all entities considered component units of the NDUS under GASB 39, and
 2. all other related organizations that are not component units, whose total assets exceed \$1 million and total program expenses exceed \$100,000, for the previous fiscal year-end.

And may include:

- e.d. How gifts, grants, and endowments are accepted and accounted for; and
- d.e. The terms and conditions which govern any joint fundraising efforts.

HISTORY: New policy. SBHE Minutes, November 18-19, 1999, page _____.

NORTH DAKOTA

UNIVERSITY SYSTEM

The Vital Link to a Brighter Future

TO: Members, SBHE Budget and Finance Committee

FROM: Cathy McDonald

DATE: April 27, 2007

SUBJECT: 2007-08 Annual Budget and Tuition Guidelines

The SBHE will be asked to approve 2007-08 annual budget guidelines, including tuition and program fee increases, at their meeting on May 3, 2007. The Budget and Finance Committee will be asked to forward a recommendation to the SBHE at that time. With the exception of the proposed CIS pool allocation (Attachment A), which wasn't completed until after the legislature adjourned, the attached draft guidelines were approved by the Chancellor's Cabinet on Wednesday, April 18.

NDCC 15-10-17 which outlines the powers and duties of the SBHE states:

"The state board of higher education has all the powers and shall perform all duties necessary to the control and management of the institutions described in this chapter. In addition to the powers and duties specified in section 6 of article VIII of the Constitution of North Dakota, the board may: 3.) set tuition and fees."

Consistent with this, the SBHE has historically set tuition and fee rates as part of the annual budget process. The 2000 report of the Roundtable stressed the importance of an NDUS which is of high quality, more responsive, equitable, flexible, accessible, entrepreneurial, and accountable. As it relates to tuition practices, the Roundtable made these specific recommendations:

- The SBHE should review and modify tuition rates and tuition models, as necessary, to support market-based pricing strategies consistent with competition in a global marketplace and to expand the client base, including non-resident students. (Accessible)
- The SBHE should establish revenue structures and rates, and direct the use of the revenues so:
 - Affordability of access to the NDUS is maintained;
 - The campus's abilities to serve students are enhanced;
 - The utilization of the State's investment is maximized.

State Capitol - 600 E. Boulevard Ave., Dept. 215, Bismarck, ND 58505-0230
Phone: 701.328.2960 • Fax: 701.328.2961
E-mail: NDUS.office@ndus.nodak.edu • Web: www.ndus.nodak.edu

The North Dakota University System is governed by the State Board of Higher Education and includes:
Bismarck State College • Dickinson State University • Lake Region State College • Mayville State University •
Minot State University • Minot State University-Bottineau Campus • North Dakota State College of Science •
North Dakota State University • University of North Dakota • Valley City State University • Williston State College.

Based on this guidance, the Board has given the campuses greater flexibility regarding tuition rates, models and waivers, and campuses have appreciated this expanded flexibility.

The following documents are included for the conference call on Monday, April 20:

- Proposed 2007-08 Annual Budget Guidelines
- Attachment A – Proposed CIS pool allocation for FY08.
- Attachment B – NDSCS Proposed Agriculture Program Fee Increase
- Attachment C – UND Proposed Program Fee Increase for the College of Business and Public Administration
- Attachment D - Illustration of increase in tuition and mandatory fees, assuming 5% tuition rate increases at all campuses. Note – Not all campuses have confirmed that they would increase tuition the full 5%.
- Attachment E – Comparison of tuition, mandatory fees, room and board, assuming 5% tuition rate increases at all campuses. Note – Not all campuses have confirmed that they would increase tuition the full 5%.
- Affordability Report

g:\cathy\worddocs\Annual Budgets\FY08 Annual Budget\BFC Annual Budget memo 4-27-07.doc

North Dakota University System
Proposed 2007-08 Annual Budget Guidelines
-----DRAFT-----

Salary Guidelines:

Campuses should prepare their 2007-08 payroll budget consistent with their campus approved salary administration plan, and within the following guidelines:

- Campus-wide average salary increases be a minimum of 5% per year for permanent employees beginning with the month of July 2007, unless an exception is provided by the SBHE.
- 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.

Common Information System--CIS (Technology) Pool:

Approve proposed CIS pool allocation for FY08 [See Attachment A]. This funds the continuation of FY07 salary increase, a 5% average salary increase for FY08, health insurance increases, and we anticipate the implementation of the following ten recommendations proposed to the legislature:

1. 11.5 new positions
2. Finance upgrade
3. Student admin data center tech upgrade
4. Student admin upgrade 8.0 to 9.0
5. Student admin security risk assessment
6. Student admin data center disaster recovery plan
7. Consistent tool set
8. NDUS data warehouse
9. Student admin application (Admissions CRM)
10. Training documentation

The specific plan has not been finalized for the loss of \$420,000 base funding.

Carryover:

HB1032 permits the carryover of any unexpended appropriations from 2005-07 to the 2007-09 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.

Tuition:

Campuses have the flexibility to increase tuition rates up to 5% for 2007-08. Any campus requesting an increase of more than 5% must first receive approval from the SBHE, before proceeding with a request for approval of an increase greater than 5% from the Budget Section, per Section 17 of HB1003.

Rate increases for other tuition categories (i.e. Graduate, Law, Physical Therapy, Occupational Therapy, Clinical Lab Sciences, Pharmacy, etc) must only be specifically requested (from the SBHE and Budget Section) if greater than 5%.

In addition, campuses requesting any unique changes...such as changes to per credit hour, changes to rates for specific students such as international students, etc...must provide documentation, including student feedback, for these requests.

Program Fees

Approve requested program fee increases for NDSCS (**Attachment B**) and UND (**Attachment C**).

Connect ND Fee

Approve continuation of the current (2006-07) ConnectND fee of \$81 per semester, with no increase in 2007-08.

Annual Budget Document and Timelines

As part of the annual budget, campuses and related entities shall:

- include descriptions and amounts of new investments and allocations that will assist them in carrying out the goals set forth in the Board and campuses strategic plans.
- include descriptions and amounts of reallocations/reductions and the corresponding effect on their ability to carry out Board and campus strategic plans.
- disclose estimated 2005-07 carryover, and the proposed use of these funds.

Campuses shall submit annual budgets to the NDUS Office by no later than **June 11, 2007**. The Chancellor shall review and approve the annual budgets consistent with the guidelines established by the SBHE.

As part of the 2007-08 annual budget guidelines, the Board will be asked to approve the following at their May 3, 2007 meeting:

- 2007-08 salary guidelines
- 2007-08 allocation of the common information services (CIS) pool
- Carryover authority and reporting requirement
- 2007-08 tuition rate increases
- 2007-08 program fee increases at NDSCS and UND
- 2007-08 ConnectND fee (no increase)
- Provide the Chancellor the authority to approve the annual budgets 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.

Proposed CIS Pool Allocation
Fiscal Year 2007-08

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	2007-09 CIS Pool												
	2005-07 Base	Reallocate Personnel FY07	Adj 2005-07 Base (1+2)	Parity Increases 1/	Reallocation	Northern Tier	2007-09 One-time Increases, Excluding Parity & NTN	2007-09 Base Increases, Excluding Parity & NTN	2007-09 Appropriation (3+4+5+6+7+8)	FY08 Proposed Allocation - Base	FY08 Proposed Allocation - One-time Funds	Remaining Balance - Base	Remaining Balance - One-time Funds
						2,773,800	2,300,000	3,700,000					
UND:													
HECN North	8,136,204	-	8,136,204	691,233	(5,654,090)	a, b	-	-	3,173,347	1,570,608		1,602,739	
IVN	2,706,802	-	2,706,802	206,330	(20,000)	b	-	-	2,893,132	1,428,448		1,464,684	
ODIN	1,081,329	-	1,081,329	89,714	(9,000)	b	-	-	1,162,043	571,539		590,504	
CND	-	-	-	-	5,407,783	a	-	2,300,000	2,937,430	4,139,456	2,300,000	4,205,757	
CIO 2/	-	-	-	-	129,000	b	-	-	129,000	64,500		64,500	
Total UND	11,924,335	-	11,924,335	987,277	(146,307)		2,300,000	2,937,430	18,002,735	7,774,551	2,300,000	7,928,184	-
NDSU:													
HECN South	6,725,490	(967,273)	5,758,217	397,751	(210,000)	b	-	-	5,945,968	2,938,317		3,007,651	
N. Tier	-	-	-	-	-		2,773,800	-	2,773,800	-	1,773,800	-	1,000,000
CND	259,189	967,273	1,226,462	508,666	146,307	a	-	762,570	2,644,005	1,304,678		1,339,327	
CIO 2/	1,371,699	-	1,371,699	177,891	210,000	b	-	-	1,759,590	661,628	210,000	677,962	210,000
Total NDSU	8,356,378	-	8,356,378	1,084,308	146,307		2,773,800	762,570	13,123,363	4,904,623	1,983,800	5,024,940	1,210,000
NDUS Office:													
NDUS-O 2/	326,380	-	326,380	24,616	-		-	-	350,996	172,654		178,342	
Grand Total	\$20,607,093	\$ -	\$20,607,093	\$2,096,201	\$ -		\$ 2,773,800	\$ 2,300,000	\$ 31,477,094	\$12,851,828	\$ 4,283,800	\$ 13,131,466	\$ 1,210,000
							4/	5/					

Notes

- 1/ \$420,000 of parity was provided as one-time funds. CIO budget will need to request perm funding in 2009-11
- 2/ A portion of base funds from HECN, IVN and ODIN have been moved to the CIO budget as a set-aside until service level agreements with the various functions can be created. This is not intended to be used for the CIO function, but will be allocated back to HECN/IVN/ODIN later when the costs of the agreements are know.
- 3/ The NDUS Office will serve as the fiscal agent for NDUS-O, beginning 7/1/07.
- 4/ \$2.3 million of one-time funding will be used in FY08 to fund the new Oracle database/license costs which were included in the 10 recommendations to the legislature.
- 5/ \$3.7 million base funds will fund 11.5 new positions and the annual software support costs of the toolset, data warehouse and application UPK (training/documentation)

Reallocations

- a - Move funds from the overall HECN-N pool to CND specific funds, since these have historically been CND expenditures
- b - Temporarily move funds as noted in 2/ above.

Attachment A

North Dakota State College of Science

PROPOSED AGRICULTURE PROGRAM FEE INCREASE

Program Title: Agriculture

Current Program Fee: \$200 per year per student

Program Fee Proposed: \$300 per year per student

Program's Exceptional and Unique Needs:

The Agriculture Department of the North Dakota State College of Science is proposing to change its program fee from \$200 per year to \$300 per year. This change would take place effective Fall Semester 2007. The program fee would be charged to all full time students enrolled in this program. Students in the program taking less than 12 credits per semester would be assessed the fee on a pro rata basis.

This program fee was first approved at the May 8, 2003 meeting of the State Board of Higher Education. Last year, after a review of their budget needs at the time, as well as reviewing other tuition and fee increases that the students were facing, the agriculture department decreased the program fee from \$300 to \$200.

During the current year, the Agriculture Department's share of the Carl Perkins Act federal funds has been reduced significantly. This reduction has had a significant effect on instruction. The department has maintained a high standard of quality and NDSCS has done a good job providing equipment and supplies for the program. However, it is becoming increasingly difficult to stay as current as is needed to meet industry standards. This program fee will be used for equipment, supplies, travel and training needs of the faculty that were covered by federal funds.

Program's Student Feedback Summary:

Currently, there are 30 freshmen and 25 second year ag students, and all were asked to complete a feedback form. Twenty-four freshman and sophomore students chose to respond, and responses varied with 67% of the Agriculture students supporting or making significantly positive statements regarding the proposed program fee. Another 24% were neutral or offered no comments towards the proposed program fee and 9% indicated negative comments towards the program fee increase. The primary benefits of an increased program fee were identified as; providing the department with resources to improve and update instructional technology and equipment, providing additional resources to upgrade computer, video editing and other training aids.

The negative comments made expressed concerns about the increasing cost of higher education and that the state should provide more funding for colleges which have so many high cost programs.

Program's Faculty Feedback Summary:

Written feedback was collected from three faculty members. They each favored the additional funds which would be available to the program and expected it would help update and improve the equipment and instructional technology used in the department. The faculty did however indicate that they are concerned about overall increasing financial costs to students.

UNIVERSITY OF NORTH DAKOTA
MAY 3, 2007

800: FINANCE

REQUESTED ACTION:

805.3 Request authorization to increase the program fee paid by all students taught by faculty in College of Business and Public Administration (CoBPA) majors effective Summer 2007. The program fees will increase from \$100 to \$150 per semester and will be prorated according to the number of enrolled credits. These fees will be charged to both undergraduate and graduate students.

NEW INFORMATION SINCE ORIGINAL REQUEST:

The implementation of the program fee has been quite successful and has provided positive assistance to students throughout the CoBPA. The original promise given to CoBPA students when these fees were first implemented was that the spending would be on student needs only. No dollars collected have been spent to assist faculty members from this source. Despite this focused approach, the dollars collected have not been sufficient to cover all costs for items desired by the CoBPA students.

JUSTIFICATION:

As indicated in the attached letter, our student leadership is supportive of the decision to raise our program fee. They continue to understand that the funds are made available to support CoBPA infrastructure needs, developmental needs, classroom needs, up-to-date electronic systems, and consumable supplies. In addition, needs to assist students in non-technical ways are also being emphasized. We have not seen a decrease in the number of CoBPA students since the implementation of the program fee. This new fee will still be among the lowest on campus. Action to include first-year students (less than 24 credits) is not being requested at this time.



UNIVERSITY OF NORTH DAKOTA

COLLEGE OF BUSINESS & PUBLIC ADMINISTRATION

DEAN'S OFFICE

PHONE: (701) 777-2135, FAX: (701) 777-2019

MEMORANDUM

To: Robert Gallagher, VP of Finance and Operations
From: Dennis J. Elbert, Dean 
Subject: Proposal for program fee revision
Date: Wednesday, April 4, 2007

As we continually review our revenues regarding the program fee, we have determined that the dollars available are not adequate to meet the growing student educational needs and expectations. We determined in the fall of 2006 that we should go forward with a revision of the program fee amount charged per student.

In December of 2006, we prepared documents detailing an increased fee (currently \$100 per semester to \$150 per semester). These documents were shared with the student leadership in the CoBPA. In addition, I had a "Dean's Dish" three hour session over dinner where we discussed the college vision, strategic plan, and future impact of the proposed program fee change. After the meeting, our Business and Public Administration Student Council (BPAC) raised a series frequently asked questions regarding this proposed increase which they wanted to share with others. In February 2007, we presented our answers to these questions in FAQ form so that there could be a distribution wider than the council. The information is included in the packet of materials attached.

The students found our increase proposal to be justified and a group of our most involved BPAC students and our BPA Student Senator signed a memo of support for the program fee. We would like to proceed to put the increased fee in place as soon as possible, but no later than Fall semester 2007.

Thank you in advance for your support. If you have any questions please call me at 777-2929.

March 26th, 2007

Dr. Dennis Elbert, Dean
College of Business and Public Administration
Box 8098
Grand Forks, ND 58202

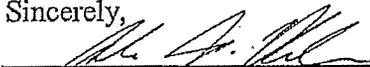
Dear Dean Elbert:

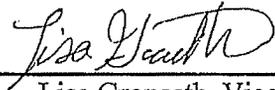
As representatives of the Business and Public Administration Student Council (BPAC), we support the change of our current program fee from the current \$100 for a full-time student to the new fee of \$150. We understand that this fee will be charged to first year students through graduate business students, students in pre-business programs, and other majors instructed by the CoBPA Faculty.

We understand the funds will be made fully available to the College of Business and Public Administration for use in supporting infrastructure needs, developmental needs, classroom needs, up-to-date electronic systems, and consumable supplies. Further, we understand these items will benefit students as to prepare them to enter the current workforce upon graduation. We realize that the increases in costs for software and needs to address additional non-technology related costs have lead to this needed increase.

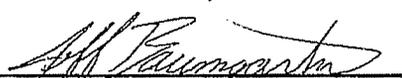
Your approval of this increase to the program fee will allow College of Business and Public Administration students to benefit directly from increased support to meet their educational needs.

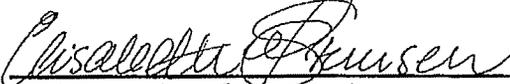
Sincerely,

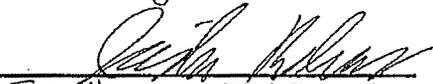

Andrew Moeh, President


Lisa Gronseth, Vice President

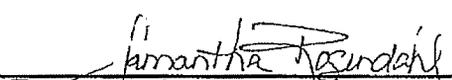

CoBPA Senator William Behrman

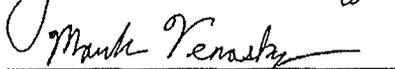

Matt Baumgartner BPAC member

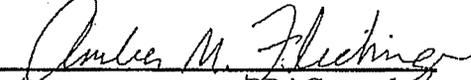

BPAC member Elizabeth Stenersen


Justin Weinhaus BPAC member


BPAC member Jessica Magness


Samantha Rosendahl BPAC member


BPAC member Mark Venasky


Amber Flickenger BPAC member


BPAC member Rachel O'Shea

BPAC member

Proposed Change to CoBPA Program Fee
Response to BPAC questions

1. **Please explain why the technology costs have not dropped and how will an increased fee ensure the technology costs (are at minimum) maintained to avoid future increases in the program fee.**

Technology costs have continued to increase as there are more and more demands for use of technology in business education. CoBPA faculty want to insure that our students have the best technology and software support that we can provide.

Remember that the program fee is intended to cover much more than technology. However, it was anticipated that in the initial stages of the Program Fee there would be a significant technology cost burden. This was expected in that we had not been able to keep up with the changing technology. However, we are still committed to rotating our computers on a three (no more than four) year replacement schedule. As a result, given that we have increased the number of computer labs in the building, there is still likely to be significant technology costs in the future. We are also finding that software costs are increasing. We are committed to offering non-technology support through the fee as well.

In order to do all of these things, we need to raise the fee. Given that we will are not planning to develop additional computer labs in the building, that should help the costs remain at more of a constant level.

Regarding future increases, no one can accurately predict the cost and/or needs of future students. Based on historical performance costs have not gone down but rather have escalated. It is the intent of the college in conjunction with BPAC student leadership to monitor costs in the future. Any changes would always be made in conjunction with input and support from student leadership.

2. **Will the increase in the program fee allow for more access to rooms with technology? Such as Lanterman, Page Mktg Lab, All purpose labs, etc...**

We have continued to upgrade Gamble Hall primarily with gifts from generous alumni. Each classroom or office area is looked at individually with regard to upgrade and technology support. As an example, MGMT Room 335 is scheduled for remodeling this summer with a gift from Gate City Bank. The room will have the most up to date technology support for the teaching station, however it will not be turned into another lab type room. Access in specialty areas like Lanterman, Kulas and Koppenhaver, Page Center etc. are a function of the teaching in those areas, as a result students have unlimited access if they are taking courses etc. affiliated with those rooms. Given that the specialty labs have only a limited amount of computers and seating, we intend to continue to offer this access only to students that need to access this space based on their

courses and / or need for specialized software access. The advantage of these specialized labs is that they can decrease the burden on the general lab, especially after class hours. The current program fee or an increased fee is not intended to provide unlimited access to all rooms.

Having stated this, we are happy to discuss issues of access with BPAC members. Given our space constraints, we are not likely to be able to add more computer labs to the building. If there are some ideas that could be implemented to maximize the utility and access to the current labs, please let us know. For example, if there was a creative way to encourage students to check email through a bank of computers that are not in any lab, would that help relieve pressure on the labs?

3. **What measures will be taken to ensure the program fee does not increase again (within a 4-6 year cycle)? This is especially important when students have recently experienced an increase of other campus fees and may see additional increases in campus fees in the future (wellness fee, athletic fee, connectND, etc).**

Our intention is NOT to raise fees frequently. We want to ensure that we have adequate funding to ensure student access to machines throughout Gamble and Starcher Halls that are current and functioning. All of the classrooms in both buildings have permanently mounted Proxima-type projectors, DVD players, and computers with Internet access (except two classrooms that have carts). This is a significant improvement compared to years past.

The program fee is intended to provide services for students that cannot be provided with the appropriated operating budget. Like any good business we continually monitor our costs. Our promise with the initiation of the program fee was that the funds would be utilized only for students. We will continue to abide by this promise. One cannot make absolute promises regarding raising the fee when the future is uncertain. We will however, monitor the program fee closely. Any future changes would be made only after consultation with BPAC leadership. The current program fee has been in place for three years, it would seem appropriate the program fee should be reviewed annually and seriously re-evaluated in four years.

4. **Please provide more clarity on how much more money will be generated due to the increase in the fee.**

In 2006 the CoBPA received approximately \$339,309.00 from the Program Fee. Based on this figure, if we were to increase the fee from \$100 per semester to \$150 per semester, the revenue generated would total approximately \$160,000 more dollars over the Academic Year.

5. Please identify the priorities of where the increased revenue from the program fee will be spent and specifically address how students will be positively impacted by the increase.

Besides maintaining our current technological status in the CoBPA, some of the priority areas that have been discussed in regard to increasing the fee are:

- hiring more personnel for the Technology Center (to assist Josh and Tracy)
- an internal (to Gamble Hall) communication systems (utilizing the current TV's),
- more (and better) printers,
- more print credit (print pages),
- another general lab (if space permits in the future)
- operating budgets for student organizations,
- more money allocated for the study abroad program,
- more dollars to support non-technology fee proposals

6. How does the amount of the student fee compare to other college student fees on campus (e.g. nursing, engineering, aerospace, etc)

Moving the CoBPA fee from \$100 per semester to \$150 will still result in the fee being very comparable (or considerably less) than other fees.

Nursing -- Undergrad \$300/semester, Graduate \$500/semester

Engineering -- Undergrad and Grad \$150/semester

Aerospace -- \$400/semester

Law - \$800/semester

Rec and Leisure -- Undergrad \$225/semester

Rehab and Hum Serv -- Undergrad \$225/semester

Social Work -- Undergrad \$225/semester, Graduate \$300/semester

Teacher Education - \$100/semester

7. How and when will CoBPA students be notified/contacted regarding the increase?

Once approved all students would be notified via email. An e-letter explaining the original program fee was most useful when the program fee was initiated. Should BPAC recommend we use other methods we are more than willing to consider other or additional options. It would be our intent to provide the information to students during late spring or over the summer, depending on when the fee is approved. New students

would be advised upon enrollment. In fact, given that all CoBPA students, regardless of year in school will be charged the fee, we need to make sure that incoming students are aware of this as well.

8. What will the college do to communicate to student where the program fee dollars are spent on an annual basis.

We will utilize outlets like bulletin boards, the committee structure, Q & A sessions etc. The BPAC leadership has been most helpful in getting the word out the last three years. If there are other vehicles that would be more effective or part of the communication plan we are always willing to look at other options.

SUMMARY

The CoBPA Student Program Fee is by far one of the most important initiatives that has been accomplished by the college in the past five years. Without the support of the BPAC Student Leadership to make the tough and somewhat unpopular decision in 2003 we would not have the resources we have today. The program fee provides support for technology, technology personnel, the Business Week program, special travel incentives for students just to list a few items. A quick walk through of the building indicates that we are in pretty good shape - things look good. But pretty good is not always good enough - - to provide our students with the best options possible we need to continue to improve and get better. Support for the increased program fee is absolutely critical for our current students and students of the future.

North Dakota University System
 Illustration of 2007-08 Proposed Rate Increases for Tuition and Mandatory Fees, Assuming 5% Tuition Rate Increases

	2006-07 Rates			2007-08 Proposed Rates			Total Proposed Rate Increases for Tuition and Mandatory Fees		% Tuition Rate Incr Only
	Tuition (ND Res)	Mandatory Fees	Total	Tuition (ND Res)	Mandatory Fees	Total	Amount	Percent	
BSC (per cr hr)	\$ 101.72	\$ 22.40	\$ 124.12	\$ 106.81	\$ 22.40	\$ 129.21	\$ 5.09	4.1%	5.0%
LRSC	2,780.00	782.72	3,562.72	2,919.00	842.72	3,761.72	199.00	5.6%	5.0%
WSC (per cr hr)	91.32	27.11	118.43	95.89	28.46	124.35	5.92	5.0%	5.0%
UND 1/	4,786.00	1,006.00	5,792.00	5,025.30	1,035.21	6,060.51	268.51	4.6%	5.0%
NDSU	4,774.00	947.64	5,721.64	5,012.70	962.04	5,974.74	253.10	4.4%	5.0%
NDSCS (per cr hr)	101.80	18.76	120.56	106.89	20.34	127.23	6.67	5.5%	5.0%
DSU	3,646.00	920.72	4,566.72	3,828.30	920.72	4,749.02	182.30	4.0%	5.0%
MASU	3,614.00	788.72	4,402.72	3,794.70	788.72	4,583.42	180.70	4.1%	5.0%
MISU	3,790.00	701.80	4,491.80	3,979.50	793.60	4,773.10	281.30	6.3%	5.0%
VCSU (per cr hr)	125.10	27.16	152.26	131.36	30.86	162.22	9.96	6.5%	5.0%
MISU-BC	2,830.00	626.72	3,456.72	2,971.50	661.72	3,633.22	176.50	5.1%	5.0%

1/ An additional increase in the student fee in support of the move to Division I is under consideration at UND. Conversations will continue over the next few weeks with a decision later in May.

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Attachment D

North Dakota University System
Comparison of Tuition, Mandatory Fees, Room and Board (Computed For An Average Full-Time Student Taking 15 credits/semester)
2006-07 Actual Compared to 2007-08 Proposed Rates (Assuming 5% Tuition Rate Increase)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
	2006-07 Rates								2007-08 Proposed Rates 1/ Assuming 5% Tuition Rate Increase								Total Increases	
	Tuition (ND Res) 2/	Room & Board 3/	Mandatory Fees, Excl. Technology	NDSA Fee 4/	Technology Fee 5/	Connect ND Fee 4/	Subtotal Mand Fees (Col 3-6)	Total (Col 1+2+7)	Tuition (ND Res) 2/	Room & Board 3/	Mandatory Fees, Excl. Technology	NDSA Fee 4/	Technology Fee 5/	Connect ND Fee 4/	Subtotal Mand Fees (Col 11-14)	Total (Col 9+10+15)	Amount	Percent
BSC	\$ 3,051.60	\$ 3,813.00	\$ 286.00	\$ 0.72	\$ 120.12	\$ 162.00	\$ 568.84	\$ 7,433.44	\$ 3,204.18	\$ 4,004.00	\$ 286.00	\$ 0.72	\$ 120.12	\$ 162.00	\$ 568.84	\$ 7,777.02	\$ 343.58	4.6%
LRSC	2,780.00	4,030.00	420.00	0.72	200.00	162.00	782.72	7,592.72	2,919.00	3,968.00	480.00	0.72	200.00	162.00	842.72	7,729.72	137.00	1.8%
WSC	2,374.32	2,976.00	372.58	0.72	156.00	162.00	691.30	6,041.62	2,493.04	3,044.00	381.68	0.72	182.00	162.00	726.40	6,263.44	221.82	3.7%
UND 6/	4,786.00	5,023.00	743.28	0.72	100.00	162.00	1,006.00	10,815.00	5,025.30	5,139.00	772.49	0.72	100.00	162.00	1,035.21	11,199.51	384.51	3.6%
NDSU	4,774.00	5,081.00	619.92	0.72	165.00	162.00	947.64	10,802.64	5,012.70	5,404.00	634.32	0.72	165.00	162.00	962.04	11,378.74	576.10	5.3%
NDSCS	3,054.00	3,538.00	187.44	0.72	100.00	162.00	450.16	7,042.16	3,206.70	3,710.00	225.44	0.72	100.00	162.00	488.16	7,404.86	362.70	5.2%
DSU	3,646.00	3,682.00	614.00	0.72	144.00	162.00	920.72	8,248.72	3,828.30	3,866.00	614.00	0.72	144.00	162.00	920.72	8,615.02	366.30	4.4%
MASU	3,614.00	3,884.00	530.00	0.72	96.00	162.00	788.72	8,286.72	3,794.70	4,072.00	530.00	0.72	96.00	162.00	788.72	8,655.42	368.70	4.4%
MISU	3,790.00	4,128.00	419.08	0.72	120.00	162.00	701.80	8,619.80	3,979.50	4,311.00	510.88	0.72	120.00	162.00	793.60	9,084.10	464.30	5.4%
VCSU	3,753.00	3,706.00	393.00	0.72	96.00	162.00	651.72	8,110.72	3,940.65	3,870.00	482.00	0.72	96.00	162.00	740.72	8,551.37	440.65	5.4%
MISU-BC	2,830.00	3,790.00	320.00	0.72	144.00	162.00	626.72	7,246.72	2,971.50	3,980.00	355.00	0.72	144.00	162.00	661.72	7,613.22	366.50	5.1%
AVERAGE	\$ 3,495.72	\$ 3,968.27	\$ 445.94	\$ 0.72	\$ 131.01	\$ 162.00	\$ 739.67	\$ 8,203.66	\$ 3,670.51	\$ 4,124.36	\$ 479.26	\$ 0.72	\$ 133.37	\$ 162.00	\$ 775.35	\$ 8,570.22	\$ 366.56	4.5%

NOTES:

- 1/ The 2007-08 room and board rates (column 10) and mandatory fees (column 11) were approved by the campus Presidents.
- 2/ The tuition and fees are calculated for an average 15 credit hour load at all campuses.
Fees are capped at 13/semester for BSC, and at 12/semester at NDSCS and VCSU. The 14, 15 and 16th credit are free at WSC.
- 3/ Room and board rates are 14/15 meal plans and double room rates. The \$1,830 meal ticket plan is included for WSC, as this plan compares most closely with board plans included for other campuses.
- 4/ The NDSA and Connect ND fees are capped at 12 credit hours per semester.
- 5/ In addition to the fees listed, MaSU and VCSU also have a notebook computer fee of \$854 at MaSU and \$901.75 at VCSU.
The technology fee increase for WSC has been approval by the Chancellor, as required under BHE Policy 805.3-1e.
- 6/ An increase in the student fee in support of the move to Division I is under consideration at UND. Conversations will continue over the next few weeks with a decision later in May.

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Attachment E