

**BOARD OF REGENTS  
MINUTES OF THE MEETING  
October 3-5, 2017**

The South Dakota Board of Regents met on October 3-5 at Dakota State University in Madison, South Dakota, with the following members present:

Bob Sutton, President  
Kevin Schieffer, Vice President  
John Bastian, Secretary  
Conrad Adam, Regent  
Jim Morgan, Regent  
Randy Schaefer, Regent  
Jim Thares, Regent  
Pam Roberts, Regent  
Joan Wink, Regent

Also present during all or part of the meeting were Mike Rush, Executive Director and CEO; Guilherme Costa, Board of Regents General Counsel; Paul Turman, System Vice President for Academic Affairs; Nathan Lukkes, System Assistant Vice President for Research and Economic Development; Michele Anderson, System Internal Auditor; Kayla Bastian, System Director of Human Resources; Monte Kramer, System Vice President of Finance and Administration; Dave Hansen, System Chief Information Officer; Molly Hall-Martin, System Director of Student Preparation & Success; Molly Weisgram; System Director of Student Affairs and Executive Assistant to the CEO and Board; Jay Perry, System Assistant Vice President for Academic Affairs; Tasha Dannenbring, System Director of Institutional Research; Leah Ahartz, System Budget Manager; Janelle Toman, System Director of Communications; Mary Ellen Garrett, System Accounting Manager; José-Marie Griffiths, DSU President; Tom Jackson Jr., BHSU President; Tim Downs, NSU President; Jan Puszynski, SDSM&T Interim President; Barry Dunn, SDSU President; James Abbott, USD President; Marje Kaiser, SDSD & SDSBVI Superintendent; Stacy Krusemark, Marcus Garstecki, Mandy Parpart, Marie Lohsandt, Lindsey Vogl, Cassandra Morgan, Jane Utecht, Dorine Bennett, Dean Minder, Jordan Oberg, Hunter DeMeyer, Natalie Van Wyle, Viana Waldner, Ryan Latle, Victorie Wilson, Ryan Marvette, Shane Beranek, Dr. Crystal Pauli, Dr. Ben Jones, Scott McKay, Amy Crissinger, DSU; Alexandria Farber, Amanda Mueller, Kade Walker, Spencer Harwood, Jordan Hill, Matthew Bruxvoort, Danielle Rang, Amber Alvey, Michelle Johnson, Zhiguang Wang, Eluned Jones, Kim Tyler, Allyson Helms, Tracy Greene, SDSU; Tom Jacobsen, Gene Bilodeau, Don Coble, Kathy Johnson, BHSU; Veronica Paulson, NSU; Pat Mahon, Steve Malott, Heather Forney, SDSM&T; Jim Moran, Sheila Gestring, Kim Grieve, Teagan McNary, Josh Anderson, Michael Lawler, USD; Claudean Hluchy, SDSBVI/SDSD; Paige Dexter, Student Federation; Tom Fishback, Brookings; Rich Naser, USD Discovery District; Jeff Mehlhaff, SD LRC; Sue Bergheim, KJAM Radio; and other members of the regental system and public and media.

**TUESDAY, OCTOBER 3, 2017**

**BOARD WORK**

**ROLL CALL:**

Adam – PRESENT  
Bastian – PRESENT  
Morgan – PRESENT  
Roberts – PRESENT  
Schaefer – PRESENT  
Thares – PRESENT  
Wink – PRESENT  
Schieffer\* – ABSENT  
Sutton – PRESENT

\*Regent Schieffer arrived after the roll was called.

Regent Sutton declared a quorum present and called the meeting to order.

**1-B Approval of the Agenda**

IT WAS MOVED by Regent Bastian, seconded by Regent Morgan, to approve the agenda as published with two revisions: (1) add an agenda item entitled “5-I(2) BHSU-Rapid City Update” to the Planning and Resources Development Committee portion of the agenda with the agenda item entitled University Center-Sioux Falls to be taken up as 5-I(1); and (2) remove agenda item 5-N Discovery District Master Ground Lease. Motion passed.

**1-C Declaration of Conflicts**

Regent Thares indicated that he would abstain from voting on agenda item 7-U SDSBVI New School Construction Preliminary Facility Statement & Facility Program Plan as he was engaged in planning for the new proposed facility before he was appointed a regent.

**1-D Approval of the Minutes – Meeting on August 8-10, 2017; August 20, 2017**

IT WAS MOVED by Regent Roberts, seconded by Regent Thares, to approve the minutes of the meetings on August 8-10, 2017; and August 20, 2017. Motion passed.

**1-E Rolling Calendar**

IT WAS MOVED by Regent Bastian, seconded by Regent Roberts, to (1) approve the date and location of next year’s Board of Regents meeting to be held on October 2-4, 2018, at SDSM&T in Rapid City; and (2) to switch the locations of the May and June 2018 meetings to be in Vermillion in May 2018 and Brookings in June 2018. Motion passed.

A copy of the Rolling Calendar can be found on pages \_\_\_\_\_ to \_\_\_\_\_ of the official minutes.

## **REGENTS' WORKSHOP**

### **2-A Enrollment Trends in the University System**

Dr. Mike Rush, Board of Regents Executive Director and CEO, introduced the workshop topics explaining that the enrollment trends report is meant to provide instructive detail that should help inform operational decisions. Additionally, he noted that Jeff Mehlhaff from the South Dakota Department of Legislative Audit will present the cost analysis he developed for post-secondary institutions in South Dakota.

Dr. Paul Turman, System Vice President for Academic Affairs, explained that this report offers an in-depth analysis of university system fall enrollment data from 2008 to 2017. He said while annual fall enrollment reports already provide summary-level information about student enrollment in the regental system, this report draws special attention to several key trends observed in system enrollment data in recent years. Findings suggest that enrollment transitions that currently are underway in the university system already have begun to reshape the basic composition of the regental student body, and consequently may have a significant impact on university programming and resource allocation.

He said despite an increase in total headcount for the regental system this year at 0.3%, much of this growth is accounted for by the increase in student participation in the High School Dual Credit (HSDC) program. Overall, full-time equivalents (FTE) for the system increased by 0.1% this Fall; however, it has decreased by 0.6% over the past five years indicating that despite an increase in the number of student served, credit hour revenue continues to decline.

The regents asked for a copy of the PowerPoint presented by Dr. Turman.

Regent Sutton asked a clarifying question about the number of resident students lost since 2010. Dr. Turman replied by saying that if HSDC students were not included in this figure, the loss of resident students would be greater, reflected as roughly 4,500 versus 2,500 students.

Regent Thares said if high school students were not included in the numbers, enrollment metrics would show a significant decline. He asked if this decline is related to cost. Dr. Turman indicated that enrollment decline is occurring nationwide and those institutions that have dropped their prices significantly have not shown significant growth either.

In response to a question by Regent Schieffer, Dr. Turman indicated that it would be difficult to do a causal study of why we have lost students because it would require a survey with direct questions as to why students were not recruited or retained.

In reference to Figure 6, which shows an enrollment decline starting in 2010, Regent Thares pointed out the seeming correlation of declining state support starting in the same year. He asked whether the system could perform a study that would prove this correlation.

Regent Sutton asked whether the HSDC students are ultimately enrolling at regental institutions. Dr. Turman indicated that about half of the HSDC students came to the regental institutions.

Regent Roberts asked whether these numbers included HSDC students who ultimately attended private universities and technical institutes. She said the legislature will want to know this additional data. Dr. Turman said they were not, but he plans to do a National Student Clearinghouse comparison for this year's report, which would show HSDC students who ultimately enrolled at private universities and technical institutes.

Dr. Turman reminded the Board that the HSDC program earns revenue from students who would otherwise not have been served by the regental system.

That said, Regent Sutton recognized that this lost leader is not getting students through the door and said it was his understanding that ultimate enrollment was the motivation for providing the opportunity in the first place.

Dr. Turman said that the HSDC program is not in statute and future governors may not be interested in continuing the program. This could mean our enrollment numbers could see a major drop in the future if this program is no longer a priority by future administrations.

A copy of the Enrollment Trends in the University System can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **2-A(1) SD High School Matriculation Report**

Dr. Paul Turman, System Vice President for Academic Affairs, explained that each Fall the Board of Regents updates the data made available in the SDBOR College Matriculation Dashboard, which provides data on the number of South Dakota high school graduates who enroll in postsecondary institutions across the country within 16 months of graduation. The most recent data provide a snapshot of the college-going patterns for the 2015 graduates, along with the four previous graduation cohorts. Despite steps taken by the Board of Regents to increase the number of citizens in the state with postsecondary credentials through the adoption of the 65% Attainment Goal, a consistent number of South Dakota high school graduates are matriculating into postsecondary institution. Over the past five years, this percentage has held consistently at 66% to 67%, with enrollment patterns at regental institutions, technical institutes, private/proprietary, and out of state institutions remaining flat.

Regents asked questions about figures in the report, pointing out some potential errors. Dr. Turman said he would review the data and get back to the Board with any necessary corrections.

A copy of the SD High School Matriculation Report can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

## **2-B Regional Enrollments Based on Tuition/Fee Rates**

Dr. Paul Turman, System Vice President for Academic Affairs, explained that during the August 2017 retreat, the Board reviewed an item that provided data on the tuition and fee rates for 4-year public institutions in the region. Board members inquired about providing matriculation and enrollment trends using data from both the National Student Clearinghouse and the National Center for Education Statistics for 2011 through 2015. Through review of the SDBOR matriculation dashboard, and scholarship information available from the Western Undergraduate Exchange (WUE), it became evident that many students are attending schools outside the state for a fraction of the cost that they would pay in state. This fact was identified through disaggregation of students by ACT score. The addition of this column demonstrates that students with lower ACT scores are still willing to attend out of state schools and pay a higher rate than attending in their state, and that those students achieving an ACT score above 21 are able to attend out-of-state schools at a considerably discounted price.

He said the special data analysis that has been provided to the Board demonstrates an increased need to monitor various merit- and need-based strategies employed by these institutions in order to maintain competitive rates among the surrounding states. The ability of these surrounding states to offer tuition at the same rate or lower than South Dakota continues to be an area of concern.

Regent Bastian said when reviewing the tables, he wondered whether the information reflects the scholarships these students received from the other institutions. Dr. Turman said the figures do not reflect scholarships awarded as there is no way to gather that information outside of applying the automatic scholarships amounts advertised by the institutions.

Regent Sutton summarized the information in the report by saying South Dakota students can attend 13 institutions in our bordering states at a lower advertised rate than the resident rate at regental institutions.

A copy of the Regional Enrollments Based on Tuition/Fee Rates can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

## **2-C August Retreat Follow-up Discussion – Tuition and Fees**

Dr. Monte Kramer, System Vice President of Finance and Administration, explained that at the conclusion of the August Board retreat, the Board asked that he bring a follow-up item so the regents could further discuss tuition and fees.

He provided a brief summary of the main points shared at the August retreat, including standardized versus differentiated rates. He reminded the Board that they are back to standardized rates after having changed back and forth over the years. He said although tuition rates are currently standardized, there is some price differentiation in South Dakota, which occurs through discipline fees and other ways.

He explained that the vast majority of states (46 states) charge more to attend doctoral institutions versus comprehensive institutions. He noted that using the Carnegie classification, DSU, NSU and

BHSU are classified as comprehensive institutions and SDSMT, USD and SDSU are classified as doctoral institutions.

Dr. Kramer also reminded the Board of the competitive salary enhancement program that is currently in place in South Dakota. He said this program has kept South Dakota competitive for faculty in the region. Without it, the regental institutions would be 35% behind their surrounding states in faculty pay, whereas currently they are only 5% behind.

He also explained that when proposing tuition increases, there are cost drivers that he always includes in the increase. He said he would be open to changing these if the Board had a desire to adjust the types of cost drivers that are included in the future.

Additionally, Dr. Kramer said the competition for students in the region has increased over the years. He noted scholarships are playing into this competition. He also said the ability for other states to offer South Dakota students in-state rates has made the competition fierce.

Regent Schieffer said it is important to develop a full picture of scholarship funding needs for this state before Legislative Session to make the case because we want to ensure that we are using same definition of “needs based” as other states.

Dr. Kramer said we need to identify how much of the scholarship money is going to Pell eligible students and how much is going to residents versus nonresidents.

Regent Thares pointed out the correlation between the decrease in state funding and the enrollment decline that started in 2010. He referenced the fact that South Dakota ranks lowest on state-funded scholarship programs and has only invested 4% of higher education infrastructure spending over the last 20 years, saying that these show that South Dakota has not made higher education a priority.

A copy of the August retreat follow-up discussion – Tuition and Fees can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **2-C(1) Regional Comparison of Post-Secondary Tuition and Fees**

Jeff Mehlhaff, Fiscal Analyst with the South Dakota Legislative Research Council, presented his report on the tuition and fee costs for the technical institutes and the public universities as well as the expenses incurred to deliver education.

He said the report identifies that regionally, South Dakota's two-year technical schools are the most expensive with tuition and fees costing \$6,318 in the 2016-2017 school year. Nebraska is the lowest in the region, with tuition and fees amounting to \$2,979 in the 2016-2017 school year. The average cost is \$4,327. Nationally, South Dakota is ranked 47th for the affordability of average in-district tuition and fees at public two-year institutions. The prices do not consider financial aid or other discounted tuition rates that may be available.

When comparing costs per FTE at two-year institutions, South Dakota has the lowest total core costs per FTE at \$10,995, with a regional average of \$14,134.

The report indicates that it would cost \$12,533,269 per year to lower the tuition and fee costs to the regional average.

South Dakota's public universities currently have the second highest average undergraduate resident cost for tuition and fees in the region at \$8,504 per year, compared to the regional average of \$7,700. The only state having a higher average cost is Minnesota at \$9,888. South Dakota had the highest regional ratio of resident tuition and fees to median household income in 2015. However, South Dakota also had the lowest undergraduate nonresident ratio in the region at 20.1%.

He said in comparison to the surrounding states, South Dakota collects the second highest portion of revenue from tuition and fees. The average revenue from tuition and fees for South Dakota is \$7,524 and the regional average is \$6,932. Only Iowa has a higher average at \$9,779.

In comparison to the surrounding states, South Dakota has the lowest average core expenses per FTE at \$18,510. The regional average core expenses per FTE are \$25,256. The core expenses include instructional costs, research, public service, academic support, student services, and institutional support (NACUBO Programs 01-06). Expenses not included in the graph were operation of maintenance of plant, depreciation, scholarships and fellowships, auxiliary enterprises, hospitals, independent operations, interest and other operating and non-operating expenses.

The report does not identify the cost to bring South Dakota to the regional average; that number would be \$15,747,200 per year.

In response to a question by Regent Schieffer, Jeff indicated that the public two-year institutions in South Dakota did not consistently report data correctly to IPEDS, which made certain IPEDS data unusable.

Regent Sutton said that this data shows that both the public four-year institutions and technical institutes are underfunded by the state in comparison to the region.

Dr. Kramer explained a number of initiatives the Board has undergone over the last several years to manage costs.

Regent Thares further noted that the data shows that South Dakota has been able to provide a quality education at the second lowest cost per graduate in the region. He said it is clear that the system needs additional money from the state each year.

Dr. Rush said the system struggles to find the right balance between filling its revenue needs with tuition dollars and having that increased price drive away students. He said there is a correlation between tuition and fee increases and the depression in enrollments.

Regent Sutton again challenged the Board to consider whether differential tuition would allow the individual institutions to be more entrepreneurial in their pricing structure. He noted that the institutions themselves should best understand their price elasticity.

Regent Thares said higher education is a huge industry for South Dakota with \$1.2 billion in economic development. We are not effectively making our pitch for the value we add. Putting this into perspective, the budget request of \$15 million is not too much given the return on investment.

Regent Morgan would like a future report on discipline fees since this is one way to differentiate pricing. He asked whether discipline fees are the same among institutions. Dr. Kramer said two years ago the financial area went through the process of standardizing discipline fees. He said most of these fees are standardized across the system but some continue to be different.

In response to Regent Morgan, Dr. Kramer said he could bring a report to the Board that would identify discipline fees and show how these fees impact the overall costs for students.

A copy of the Regional Comparison of Post-Secondary Tuition and Fees can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

IT WAS MOVED by Regent Bastian, seconded by Regent Schieffer, that the Board dissolve into executive session at 5:30 p.m. on Tuesday, October 3, 2017, to discuss personnel matters; that it rise from executive session at 7:45 p.m.; that it reconvene into executive session at 7:30 a.m. on Wednesday, October 4, 2017, to discuss personnel matters, pending and prospective litigation, contractual matters, marketing or pricing strategies by a board of a business owned by the state when public discussion may be harmful to the competitive position of the business, and to consult with legal counsel; that it rise from executive session at 12:30 p.m. to resume the regular order of business; and that it report its deliberations while in executive session. Motion passed.

### **WEDNESDAY, OCTOBER 4, 2017**

The Board reconvened at 1:05 p.m.

#### **CONSENT AGENDA**

IT WAS MOVED by Regent Bastian, seconded by Regent Morgan, to approve consent agenda items 4-A(1) through 4-D. Motion passed.

#### **Academic and Student Affairs**

##### **4-A(1) Articulation Agreements – SDSU**

Approve South Dakota State University's articulation agreements between SDSU and 1) Lake Area Technical Institute; and 2) the School of EMS, as presented.

A copy of the SDSU's Articulation Agreements can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

#### **4-A(2) Articulation Agreements – USD**

Approve the articulation agreement between the University of South Dakota and Western Iowa Tech Community College as presented.

A copy of the USD's Articulation Agreement can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

#### **4-B Inactive Status and Program Termination Request – SDSU**

Approve SDSU's request to terminate their Nursing (D.N.P.) – Pediatric Clinical Nurse Specialist Specialization program.

A copy of the Inactive Status and Program Termination Request – SDSU can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

#### **4-C New Site Request – NSU – Spanish**

Approve NSU's request to deliver the Bachelor of Arts (BA) in Spanish through online distance delivery as described in Attachment I.

A copy NSU's New Site Request for their Bachelor of Arts in Spanish can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

#### **Budget and Finance**

#### **4-D Capital Asset Purchase Greater than \$500,000**

Approval of SDSU's request to purchase an MRI: Acquisition of a Cluster Instrument Parallel and Symmetric Multiprocessing for Supporting Multidisciplinary Research at an estimated cost of \$1,137,656, which includes \$796,359 of funding from the National Science Foundation and \$341,297 from university plant funds.

A copy of the agenda item entitled Capital Asset Purchase Greater than \$500,000 can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

#### **PLANNING AND RESOURCE DEVELOPMENT**

#### **5-A Welcome and Presentation by DSU President José-Marie Griffiths**

DSU President José-Marie Griffiths welcomed the regents and attendees to DSU. She said DSU has gone through a number of recent construction projects which included both new construction and renovations. On August 20, DSU announced a major gift to the university that will allow the

university to construct the MadLabs, increase student scholarships, add new faculty and staff, add new degree programs and add SD 5G. She also indicated that enrollment is up at the university with 3,307 students attending this fall, which is the highest headcount DSU has ever seen. Furthermore, she recognized the community involvement in the many recent efforts at DSU. She said it takes a community to accomplish the things DSU is doing. She also recognized recent DSU awards and honors received by faculty members and students. President Griffiths then presented a video that highlighted the work being done at DSU.

### **5-B Student Organization Awards**

Marcus Garstecki, DSU Vice President of Student Affairs, introduced the Student Organization Awards. The Award for Academic Excellence for 2016 was presented to the DSU Phi Beta Lambda (PBL) Business Club. The Award for Community Service was presented to The Alliance at DSU. The Award for Organization Leadership was presented to the Computer Club.

A copy of the DSU Student Organization Awards can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **5-C Reports on Individual Regent Activities**

No report

### **5-D Report and Actions of Executive Session**

Upon convening at 5:30 p.m. on Tuesday, October 3, 2017, the Board dissolved into executive session in order to discuss personnel matters. The Board rose from executive session at 7:45 p.m. The Board reconvened in executive session at 7:30 a.m. on October 4, 2017, in order to discuss personnel matters, pending and prospective litigation, contractual matters, marketing or pricing strategies by a board of a business owned by the state when public discussion may be harmful to the competitive position of the business, and to consult with legal counsel. The Board rose from executive session at 12:30 p.m.

Regent Bastian reported that while in executive session, the Board considered personnel actions, pending and prospective litigation, contractual matters, marketing or pricing strategies by a board of a business owned by the state when public discussion may be harmful to the competitive position of the business, and consulted with legal counsel, and gave directions to its executive director and general counsel concerning these matters.

IT WAS MOVED by Regent Bastian, seconded by Regent Morgan, that the Board approve directions given to the executive director and the general counsel with respect to matters discussed in executive session, that it:

1. Limit the review to the record previously established, deny the request for a hearing, and deny SDSU CSA Grievance No. 2017-1.
2. Deny SDSU Faculty Title IX/EEO Grievance No. 2017-04.
3. Deny SDSMT Faculty Title IX/EEO Grievance No. 2017-01.

4. Award two (2) years of prior service credit toward promotion for Dr. Teresa Stephenson, Associate Professor (USD); and one (1) year of prior service credit toward tenure and one (1) year of prior service credit toward promotion for Dr. Myanna Dellinger, Associate Professor (USD).
5. Award an honorary Doctorate of Science degree to Dr. Daniel A. Reed (DSU).
6. Approve the personnel actions as submitted by the Board office, campuses, and special schools. A copy of the personnel actions can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

Motion passed.

### **5-E Report of the Executive Director**

Dr. Mike Rush, Board of Regents Executive Director and CEO, said that there has been an incredible amount of activity in higher education over the last few months. This has included donations, building dedications, ground breaking events, ribbon cuttings, grants awarded, presidential searches underway, accreditation visits, a location assessment for the South Dakota School for the Deaf, the BOR budget submitted to the Governor's office, preparation for a series of upcoming town hall meetings focusing on the economic impact study, and a recent discussion about enrollment that has prompted the Board to ask the institutions to present individual tuition proposals at the December Board meeting.

A copy of the Interim Actions of the Executive Director can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **5-F DSU Foundation Report**

Mark Johnston, DSU Vice President of Institutional Advancement, provided an overview of the composition of the university foundation and described its assets and endowment. He provided information on the endowment payout rate and described efforts to reach out to alumni.

A copy of the DSU Foundation Report can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **5-G Amendment to the By-Laws (Second Reading)**

Guilherme Costa, Board of Regents General Counsel, explained that this is a second reading of revisions to the By-Laws presented in August 2017. He said the second and final reading of this Board item seeks to both (1) make necessary changes to Article III of the By-Laws (which addresses Standing Committees) to create the Audit Committee and the Athletics Advisory Committee as Standing Committees, and (2) make other changes to better align the By-Laws and the operations of the Board and to use more consistent language.

IT WAS MOVED by Regent Bastian, seconded by Regent Adam, to approve the second and final reading of the amendments to the By-Laws, as shown in Attachment I and reflected in Attachment II, with two additional revisions: (1) on the last sentence of the membership section, it should read,

“The terms and qualifications of regents are subject to SDCL Chapter 13-49.” and (2) in section 5.2 the statutory reference should be revised to “SDCL Chapter 1-25”. Motion passed.

A copy of the Amendment to the By-Laws can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **5-H Capital University Center Transition Plan**

Dr. Mike Rush, Board of Regents Executive Director and CEO, recognized the CUC Foundation Board Chair Bob Riter. He said since the last Board meeting the Board staff has been working with university entities to speed up the CUC transition plan. He said all the issues that were addressed over the past year did not change, but the strategies for implementing solutions did change. He said after visiting with the CUC Foundation Board, the CUC Foundation agreed to take over the operational expenses of the facility. He asked the university components speak to each of the programs that are currently being offered at the universities.

Dennis Hedge, SDSU Provost, said SDSU looked at the academic programs currently being offered at CUC and the possible teach out options. He said teach out options do exist through online coursework.

Lindsey Hamlin, SDSU Director of Continuing and Distance Education, said they looked at the number of students enrolled in their two programs offered at CUC. She said the Associates of Arts (AA) in General Studies has six students and the Bachelor of General Studies has two students; both programs can be offered online. She said in order to transition the teaching to online coursework, it would have to be approved by the Higher Learning Commission (HLC). She said the programs currently offered by NSU at the CUC can also be offered online with approval by the HLC.

Sheila Gestring, USD Vice President of Finance, said USD would like to evaluate the USD nursing program offered at the site and make a decision by March 2018. She said the goal is to recruit and retain 16 students per year in Pierre and see some additional external support to make the program financially viable.

Dr. Janelle Toman, System Director of Communications (and former CUC Executive Director), said the transition plan identifies two primary options: (1) teach-out current students enrolled in CUC degree programs and end all BOR-sponsored programs and services in Pierre, or (2) continue some level of public university programming or support under the operational authority of the building’s owner, Capital University Center Foundation Inc.

Dr. Rush said there will be ongoing reports as they continue to work through issues with the CUC Foundation Board. Additionally, there will be some ongoing assessment and review as well as confirmation from the HLC that teach out can be performed online.

Regent Schaefer noted his appreciation for the response to the Board’s request to consider options.

Regent Schieffer echoed Regent Schaefer's sentiment. He said it feels like this is heading in the right direction. He asked Sheila Gestring about the external support USD is looking for related to the USD nursing program. She acknowledged this fact and said that they are looking for a break-even point for direct operational costs. She also said the Pierre community has been very supportive of scholarship efforts, which is probably what has brought the 15 students who are currently in the pipeline. She said that they are looking for additional support, potentially from employers of the nursing graduates.

Bob Riter addressed the Board saying he is a lifelong resident of Pierre and concerned about its well-being. He said the CUC Foundation Board is about giving the people in central South Dakota educational opportunities that they otherwise would not have. He said he hopes to continue this effort and is happy to hear that USD is interested in looking for ways to continue the nursing program.

Regent Roberts said she appreciates the whole CUC Foundation Board for its response to this situation. She said the CUC Foundation Board responded proactively with its mission in mind, continuing to find ways to serve people of central South Dakota.

A copy of the Capital University Center Transition Plan can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

#### **5-I(1) University Center – Sioux Falls Update**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that the Board of Regents approved a new governance, funding, and operations model for the University Center-Sioux Falls (UC-SF) at the March-April 2016 meeting, and have received periodical updates since then. He said the current report provided for the Board has four sections, each providing an update on a different aspect of the UC-SF.

He said the Board of Regents' Executive Director, UC-SF Executive Director, and the three collaborating presidents of USD, DSU, and SDSU continue to develop consensus on operational changes and consultant recommendations. These developments include explorations of space utilization through relocation of the SDSU Nursing program and enhanced community involvement through restructuring of the Advisory Council into a Community Steering Board. Credit hours are up for Fall 2017, the first increase since 2011. New student enrollment is up 10%.

Regent Schieffer asked questions about the MOU, the goal of getting tuition down to \$199 per credit, and whether there was a compelling need in Sioux Falls that is resulting in someone stepping up to reduce that cost. He also asked for an update on how the groups are working through issues at the lowest possible levels.

Dr. Perry said that in August, the Board authorized the change to the MOU, but now we have to actually go and make the change. Additionally, the steering committee will create a plan to take to the Sioux Falls community to begin getting commitment to bring cost down. He also noted that the groups are better at working issues out at lowest level but this is not perfect yet.

Dr. Jim Moran, USD Provost, said once composed, the Advisory Council will be made up of Sioux Falls community members and they will be asked to be advocates of the center and help in this effort.

Regent Morgan asked whether there is a UC Foundation. USD President Abbott answered the question by saying there is UC Foundation and it has been in place for roughly 12-15 years. He said its assets are being used for scholarships. Dr. Perry said Dr. Craig Johnson, UC-SF Executive Dean, has a group that is working to kick start greater foundation activity.

Regent Schaefer asked about enrollment changes. Dr. Moran said that the USD increase comes from the new general studies program. He said many of these students are close to full time because the offerings have been sequenced differently. Dr. Perry also noted that the enrollment changes reflected in the report may have something to do with the way headcount is calculated as per the new MOU.

Regent Sutton said that the UC Foundation Board met last week and awarded 40 scholarships at a total of \$49,000.

A copy of the University Center – Sioux Falls Update can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **5-I(2) Black Hills State University – Rapid City Update**

BHSU President Tom Jackson, Jr. introduced the presentation explaining that he and his team intend to provide the Board a brief history of the BHSU-RC and the enrollment trends of the center.

Gene Bilodeau, Executive Director of BHSU-RC, explained that BHSU-RC has been operating in Rapid City for more than 60 years. He said prior to the building of the current center, which opened in 2011, the center was housed in various locations throughout Rapid City. He said the name change and rebranding has occurred over the last few years. He said the center provides something to the community that it otherwise would not have; in other words, a liberal arts institution with a variety of degree options. He said enrollment is currently at 1,336 students, which is nearly the same as last year, and noted that the student demographics of the center are shifting to a younger student body. He said one of the center's goals is to increase the facilities use during the daytime hours and described efforts to accomplish this, including an 18-day block as well as a weekend class block. Lastly, he indicated that they have employed a consultant to help target future changes to increase enrollment. Gene noted that the center uses an advisory board, which is comprised of community members who represent business, K-12, economic development partners, etc. The purpose of that advisory board is to share community input. These members are the eyes and ears of community. The center also solicits ideas of how they could better serve the students and community.

Kathy Johnson, BHSU Vice President for Finance and Administration, said that the center operates exclusively on the tuition earned from the center's students. No state funds go to the center.

Dr. Mike Rush asked if a community survey identifies a need for a program that BHSU does not currently offer, how would BHSU approach offering it. Gene said that if there is indication that a new program is needed, they would do their diligence to determine that there is in fact a market. From there they would go through the process to build a new program or work with regental partners to see if there was a way to provide to collaborate. Gene mentioned a proposal to offer paralegal education at the center as a result of feedback from the community.

In response to a question by Regent Schieffer, Gene said that the community advisory group does not include a financial element. Additionally, he noted that the BHSU-RC does not have a separate foundation currently, but as a BHSU entity, it seems that center would naturally lean on the BHSU Foundation. He also recognized that SDSM&T has been serving Rapid City for a long time so wants to make sure that a good partnership continues with them as well.

### **5-J FY17 Institutional Alcohol Sales Update**

Molly Weisgram, System Director of Student Affairs and Assistant to CEO and Board, explained that BOR Policy 6:14 has been in effect for a little over one year. This policy allows institutions to permit alcohol sales on campuses with the permission of the CEOs. Embedded in the policy is a reporting requirement that the institutions submit information about the events where alcohol sales were permitted in the last fiscal year. Fiscal year 2017 data was recently submitted to the executive director, showing that four of the six institutions permitted some alcohol sales. Of the four that permitted sales, the report shows that there were no alcohol-related incidents.

A copy of the Institutional Alcohol Sales Update can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **5-K 2018 Proposed Legislation**

Dr. Monte Kramer, System Vice President of Finance and Administration, provided the Board a list of potential legislative items that were submitted by the institutions. Upon review, the Board confirmed support of specific legislation. Action will be taken on the Board-sponsored legislation in December.

Regent Bastian noted that the Precision Ag project would use the same funding source as for ADRDL and wondered how these two projects would work together using the same funding source. Dr. Kramer said there would be sufficient funds in that account for the state to bond and rely on annual tax revenues to pay bond obligations.

Regent Schieffer asked about the timeline of legislation. He said he would like more information before December to determine whether or not he would recommend they go forward as Board-sponsored bills.

Dr. Kramer said that many of the items on the list will be addressed in later Board agenda items. He said this is a heads-up opportunity for the Board, and regents can request additional information about any of these projects. Additionally, some of these items may not make it to the list in December per the decision of the institutions themselves.

A copy of the 2018 Proposed Legislation can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **5-L Resolution Requesting the Grant of an Easement to Sioux Valley Energy for Electrical Infrastructure**

Nathan Lukkes, System Assistant Vice President of Research and Economic Development, explained that the USD Research Park, Inc. (dba the USD Discovery District) requests that the Board of Regents adopt the Resolution set forth in Attachment I requesting the grant of an easement to Sioux Valley Energy to place, construct, operate, repair, maintain, relocate and replace thereon a distribution line or system on or under land operated by the USD Discovery District. The foregoing is a critical component of the necessary infrastructure for the USD Discovery District.

As an aside, Nathan said that a number of easements are expected to come forward in the future. The commissioner indicated that if the Board wanted to approve a blanket resolution for utility easements in the Discovery District, it would not need to address each easement individually.

In response, Regent Bastian asked that the Board staff should consider whether it is a good idea. Regent Sutton said he would entertain having a different process brought to the Board for consideration and suggested that Nathan do so the next time a request for an easement is brought to the Board.

IT WAS MOVED by Regent Schaefer, seconded by Regent Schieffer, to approve and adopt the Resolution set forth in Attachment I, requesting the Commissioner of School and Public Lands to proceed with the easements as stated therein. Motion passed.

A copy of the Resolution Requesting the Grant of an Easement to Sioux Valley Energy for Electrical Infrastructure can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **5-M USD Discovery District Covenants, Conditions and Restrictions**

Nathan Lukkes, System Assistant Vice President of Research and Economic Development, said that the Covenants, Conditions, and Restrictions were prepared by the USD Discovery District and its legal counsel, in consultation with individuals with extensive research park development experience to ensure the foregoing are not only compatible with the direction of the USD Discovery District, but also the needs of prospective tenants. Nathan also mentioned that once the Covenants, Conditions and Restrictions are adopted, they will run with the land and will be applicable to, and will govern the use of, the premises by all lessees, tenants and owners of Research Park buildings.

IT WAS MOVED by Regent Bastian, seconded by Regent Adam, to approve the USD Discovery District CC&R's set forth in Attachment I. Motion passed.

A copy of the USD Discovery District Covenants, Conditions and Restrictions can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

## **5-N USD Discovery District Master Ground Lease**

<<Item removed from agenda>>

## **5-O Title IX Interim Guidance**

Guilherme Costa, Board of Regents General Counsel, explained that Interim Guidance on Title IX was released by the U.S. Department of Education, Office for Civil Rights on September 22, 2017, in conjunction with the rescission of the two guidance documents issued under the Obama Administration: the Dear Colleague Letter of April 4, 2011 and the Questions and Answers on Title IX and Sexual Violence dated April 29, 2014.

He shared information about the impact of the Interim Guidance on Board Policies, introducing proposed emergency revisions to Board Policy 3:4 – Student Code of Conduct and Board Policy 1:18 – Human Rights Complaint Procedures. He acknowledged having received an informal request from the campuses to have the proposed policy changes go through the regular two-readings rather than an emergency implementation to ensure there is sufficient time and training to properly operationalize the changes. He indicated support for that approach because most of the changes were either something campuses were likely already doing anyway, or changes that could be implemented regardless of whether the policy explicitly required them.

Regent Schieffer asked about the timeframe on the final regulations that will include a public comment period. Guilherme indicated that the exact timeframe is unknown, but said that he anticipates that the final guidance could be issued anywhere between 9 and 16 months from now.

Michaela Willis, SDSU Vice President of Student Affairs, spoke on behalf of the Student Affairs Council. She recognized the good work of General Counsel Costa and appreciated the Board's consideration of a first reading rather than emergency implementation. She noted that the institutions would like to implement the policy appropriately and having an opportunity to review the policy changes before final approval would be appreciated.

IT WAS MOVED by Regent Bastian, seconded by Regent Schaefer, to approve the first reading of the amendments to Board Policy 3:4 – Student Code of Conduct that incorporates the revisions shown in Attachment III, and the first reading of the amendments to Board Policy 1:18 as shown in Attachment IV, which were required to comply with the Interim Guidance issued by the U.S. Department of Education Office for Civil Rights on September 22, 2017. Motion passed.

A copy of the Title IX Interim Guidance Amendment to the By-Laws can be found on pages \_\_\_\_\_ to \_\_\_\_\_ of the official minutes.

## **5-P SDSD Task Force Draft Report and Recommendations**

Regent Schieffer explained that the SDSD Task Force plans to bring forward its recommendations for final action by the Board of Regents at its December meeting. He said the committee suggests the December deadline in order to allow sufficient time for the Legislature to act.

He said unless the facts change significantly over the next month or two, it is highly unlikely that the school will change locations. That said, the facts will be scrutinized over the next month or two. Dr. Mike Rush reinforced the fact that the committee is requesting public comment on the report and recommendations.

Regent Sutton said a lot of people have been involved in this effort, including SDSD Superintendent Marje Kaiser and staff, SDSD's user community, the office of School and Public Lands (in particular Commissioner Ryan Brunner) and regents. He additionally recognized Regent Schieffer's yeoman's work as leader of the committee.

A copy of the SDSD Task Force Draft Report and Recommendations can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

## **ACADEMIC AND STUDENT AFFAIRS**

### **6-A Student Federation Report**

Paige Dexter, Student Federation Executive Director, explained that the Student Federation met in Pierre on September 29. The group appreciated the presentation by Dr. Rush and the details about the upcoming legislative session and what to expect. Additionally, she said the Federation met the previous evening and expects to consider resolutions in December enabling the Federation to lobby for legislation as a group.

Regent Bastian asked that the Student Federation review the Student Conduct Code revisions and bring back comments to the December Board meeting.

A copy of the Student Federation Report can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **6-B Banner Student Update**

Dr. Paul Turman, System Vice President of Academic Affairs, provided a brief update on the status of the Student Banner Project across three areas of emphasis: 1) Project Planning Phase, 2) Project Execution Phase, and 3) Communication with key staff across the system.

A copy of the Banner Student Update can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **6-C HLC Reaffirmation of Accreditation**

Dr. Paul Turman, System Vice President for Academic Affairs, affirmed that public institutions under the control of the South Dakota Board of Regents obtain institutional and programmatic accreditation to ensure standards of excellence in areas such as faculty, curriculum, administration, and student services. Institutions in the regental system obtain accreditation from the Higher Learning Commission (HLC) which requires a comprehensive self-study every ten years to maintain accreditation. Those institutions that fail to meet expectations for HLC are placed on probation and are confronted with a potential loss of regional accreditation if the appropriate

interim action is not taken. Regional accreditation is a necessary requirement to ensure access to federal funds.

The recent Comprehensive Review for Reaffirmation of Accreditation for NSU by the HLC included several components: (1) Assurance Review (i.e., Assurance Argument/self-study), (2) Federal Compliance Review, (3) Public Comments, (4) Student Opinion Survey, and (5) a site visit in March 2017 by HLC peer reviewers. NSU's Comprehensive Review resulted in a finding by the HLC Institutional Actions Council that they met every core component and the five Criteria for Accreditation with no sanctions, no internal monitoring required, and eligibility to choose its accreditation pathway going forward.

NSU President Tim Downs introduced NSU Provost Alan LaFave, and NSU Associate Vice President of Academic Affairs Joelle Lien. He said the institution is very proud of the accreditation outcome. Dr. Lien provided details of the comprehensive evaluation of the university. Dr. LaFave thanked Dr. Lien for chairing the committee and spearheading the efforts. He acknowledged the broad participation of the campus community.

NSU President Downs indicated that there were some gentle suggestions by the HLC. It suggested NSU continue to find ways to enhance internal communication, increase faculty development and support, and confirm reviewing the student retention initiatives to determine what is working.

Regent Schieffer asked about the national structure of the accrediting agencies. President Downs confirmed that the accreditation agencies are not government entities but they are empowered by federal law. He said the HLC is the largest regional accrediting agency with 19 states under its region.

Dr. Rush said the accreditation system predates federal involvement in higher education. The universities gathered to create these groups acting as a self-governing entity and the government later adopted the model.

Regent Wink congratulated NSU on their very good accreditation report. She noted that clean reports are very rare so recognized the good work of the institution.

A copy of the HLC Reaffirmation of Accreditation for NSU can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

#### **6-D BOR Policy 2:5 – Transfer of Credit Revisions (First Reading)**

<<This item was deferred to the December Board meeting.>>

#### **6-E BOR Policies 2:25 and 2:31 Revisions (Emergency Approval)**

Dr. Paul Turman, System Vice President for Academic Affairs, noted that in December 2016, the Board moved to repeal BOR Policy 2:28 Proficiency Examination. There are several other Board policies that referenced BOR Policy 2:28, including BOR Policies 2:25 & 2:31, which deal with the articulation of General Education courses at South Dakota Technical Institutes either without

(2:25) or with (2:31) a Memorandum of Understanding with the Board of Regents. He said each policy has a short reference to 2:28, during which they list BOR Policies that govern the transfer of credit. The removal of that reference is the only substantive change to the policies. Both policies have also been converted to the new policy format.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve the emergency approval of the revisions to Board Policy 2:25 – Articulation of General Education Courses: South Dakota Technical Institutes *without* a Memorandum of Agreement with the Board of Regents, and the revisions to Board Policy 2:31 – Articulation of General Education Courses: South Dakota Technical Institutes *with* a Memorandum of Agreement with the Board of Regents as presented. Motion passed.

A copy of the Revisions to BOR Policies 2:25 and 2:31 (Emergency Approval) can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **6-F New Program Request – SDSU – BA/BS in Business Economics**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, stated that SDSU is seeking approval for a BA/BS in Business Economics program. SDSU currently offers a BA and BS in Economics with a Business specialization; the proposed program does not require the creation of any new courses. The specialization will terminate upon approval of the new major.

He explained that this program proposal would align with the applicable accreditation standards.

No new resources are required to implement or maintain the proposed program. SDSU requests authorization for a prefix fee attached to courses taught in the major. This is not a new fee; it is the same fee currently authorized for the Business Economics specialization in the Economics major. SDSU is not requesting authorization to deliver the program off-campus or online.

He further explained that discussion at the Academic Affairs Council (AAC) and the Council of Presidents and Superintendents (COPS) resulted in agreement that SDSU would not pursue additional undergraduate or graduate programs in the field of business, including but not limited to finance, marketing, and business administration.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve SDSU's new program proposal for a BA/BS in Business Economics as described in Attachment I and the limitations on SDSU offering additional business-related programs as described in the Impact and Recommendation section of the cover sheet. Motion passed.

A copy of the New Program Request – SDSU – BA/BS in Business Economics can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **6-G Articulation Agreements with South Dakota Technical Institutes Report**

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, stated that since the early 2000s, the Board of Regents has approved over 200 program-to-program articulation agreements

between regental institutions and the state's technical institutes. These agreements provide transfer opportunities for technical institute graduates holding associate of applied science degrees (AAS) into regental system bachelor's degree programs. Recent examples include agreements signed by SDSU and USD approved at the August 2017 meeting.

This brief analysis provides an update on new or revised articulation agreements established between regental institutions and South Dakota's technical institutes over the last five years. In that time, nearly 100 such program-to-program agreements received Board of Regents' approval, demonstrating continuing collaboration benefitting students and the state.

Regent Sutton said this is important information for the regents to demonstrate the partnerships between the regental institutions and the technical institutes.

A copy of the Articulation Agreements with South Dakota Technical Institutes Report can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **6-H(1) Section Size Report – FY2017**

Dr. Paul Turman, System Vice President for Academic Affairs, noted that as the public university system advances its efforts to balance instructional effectiveness with organizational efficiency, course section size has emerged as an important accountability measure. The annual Section Size Report provided evaluates the extent to which the state's six public universities continue to meet regental policy with respect to minimum enrollment per course section.

The FY2017 report shows that all institutions except BHSU (4.5%) fell within the acceptable ranges of selected course sections falling below the required 4/7/10 limits.

In response to a question by Regent Schieffer, Dr. Turman said that he critically examines those courses that fall below the 4/7/10 limits. He said certain exceptions must occur to manage program viability and certain facility restraints, such as labs.

A copy of the Section Size Report for FY2017 can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **6-H(2) Course & Program Duplication**

Dr. Paul Turman, System Vice President for Academic Affairs, stated that during the August 2017 Board of Regents meeting, a number of Board members indicated that one area of concern for stakeholders in the state is the perceived level of duplication at the program and course level that exists in the regental system. The Academic Affairs Council (AAC) has been discussing this issue over the past year in an attempt to aid the program approval process, and determine whether policy or additional guidance is necessary to either foster collaboration or ensure enrollment/graduate numbers at a designated level.

The special efficiencies analysis seeks to provide the Board with an overview of the extent that duplication exists in the regental system in on-campus academic programs, online academic

programs, and online courses offered across the regental system. Although duplication does exist in each of these three areas, much of that duplication is minimal or justified considering the graduate production in these programs and the specific workforce needs of the state.

He contends that the system needs to closely monitor the items in Table 2 as additional programs are brought forward for proposal.

Regent Schieffer asked about the duplicated coursework at the smaller institutions. Dr. Turman said that these courses are typically offered by smaller institutions because the coursework is required for graduation.

Regent Wink asked how the system has improved over the last several years and how it reduced duplication. Dr. Turman said the goal has been to continue to manage system duplication. He said as institutions have proposed duplicative programs, there has been a process of negotiation amongst the institutions to either establish shared programming or have the system choose which institution gets to offer the program. This effort has kept the duplication levels low.

A copy of the Course & Program Duplication analysis can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **6-H(3) Instructor Rank Classifications**

Dr. Paul Turman, System Vice President for Academic Affairs, noted that in July 2017 the Board of Regents were asked to provide an overview of efficiency strategies to the Joint Appropriations Committee, and one area of focus creation of the “Instructor Ranks” during the 2013 round of negotiations with the Council of Higher Education. When discussed with the Board during their August 2017 meeting, questions arose regarding the current distribution of lecturer and professorial rank faculty in the system, and how this distribution aligned with other postsecondary institutions in the country.

The special analysis provides an overview of the shift in lecturer and professorial rank assignments since this change to the negotiated agreement, along with background on the rationale for implementing this framework.

He suggested that instructor rank classifications should continue to be monitored. He said he anticipates this to grow over the next few years, but he wouldn’t expect to see instructor rank get above 30 because this is the point where education quality might be compromised.

A copy of the Instructor Rank Classifications analysis can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **6-H(4) Open Education Resource Initiatives**

Dr. Paul Turman, System Vice President for Academic Affairs, stated that one of the primary goals for the Board of Regents in their strategic plan has been to explore strategies that increase affordability for students in the regental system. At the request of the Joint Appropriations

Committee, a presentation was developed to highlight areas of efficiencies over the past decade, and part of the discussion with the committee in July 2017 focused on other initiatives worthy of exploration. A number of these were discussed with the Board during the August 2017 retreat. In particular, campus level efforts to utilize open source materials as an alternative to published textbooks was identified as an area where system level engagement may assist in moving efforts forward in high enrolled General Education courses. Universities and governing bodies around the nation have begun to participate in Open Education Resource (OER) library consortiums.

During their August 2017 meeting, the Academic Affairs Council (AAC) discussed campus level success in expanding OER use by faculty, and determined that there would be benefit from targeting key disciplines at the system level. He said a taskforce of faculty and library representatives is being developed for the system to evaluate system-level options. The North Dakota University System (NDUS) lead has indicated a willingness to attend the November 1 AAC meeting in Pierre to provide an overview of activities in North Dakota and Colorado and provide technical assistance with initiating first steps for the Regental system.

A copy of the Open Education Resource Initiatives can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **6-I Academic Leadership Training**

Dr. Paul Turman, System Vice President for Academic Affairs, stated that during the 2016-17 academic year, the Academic Affairs Council (AAC) coordinated with HR Directors in the system to develop a comprehensive training for Academic Administrators within the regental system. On July 27-28, 2017, academic leadership from all six regental universities participated in this event with presentations provided given by Board office staff and experienced academic leaders from around the regental system on a number of topics that AAC and the HR council had identified as critical for administrators new to their roles (i.e., COHE, conflict of interest, human resources, faculty evaluations and recruitment, and others).

AAC members reviewed the results from the participant survey during their August 2017 meeting and discussed additional feedback obtained from those administrators that attended from their institution. The council supported making this an annual event which does result in an institutional commitment to adding an additional contract day to those administrators asked to begin early.

Additionally, he said continuing education webinars are being developed for attendees throughout the academic year.

A copy of the Academic Leadership Training update can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Campus Community Forum**

The Board responded to questions from the campus community.

## THURSDAY, OCTOBER 5, 2017

The Board reconvened at 7:30 a.m.

### **Breakfast Meeting with Area Legislators**

Senator Kris Langer (District 25) and Senator Jordan Youngberg (District 8) met with Board members to informally discuss the economic impact of the public university system, the Board of Regents' budget request for Fiscal Year 2019, and the system's budget request for a Dakota's Promise needs-based scholarship program.

### **6-J High School Dual Credit Enrollment and Grade Report**

Dr. Paul Turman, System Vice President for Academic Affairs, noted that this enrollment and grade report is to provide the Board of Regents with an update on the most recent grade activity for students enrolled in the High School Dual Credit (HSDC) program, and current enrollment numbers. Enrollments in the HSDC program continue to increase each term as student and district interest remains high. Eligibility requirements established for the program when it first began in Fall 2014 have had a positive impact on the performance of students in the program with data from each term indicating a 93% success rate (earning a C or higher in the course).

Regent Morgan asked whether there is any pattern emerging for students who are not successful in the HSDC program. Dr. Turman said that although he has examined this closely, no particular pattern has emerged.

In response to a question by Regent Sutton, Dr. Turman said that the number of participants originally anticipated was much lower. He said the regental system would likely have capped the enrollment if the state appropriation had not grown along with the enrollment numbers.

Regent Schaefer asked what authority the Board has over the rates charged for the HSDC program.

Dr. Turman said although the Board decided not to charge any fees for the HSDC program, it can change that decision. He noted that the Board at one time attempted to increase the rate to around \$160 per credit as part of the Department of Education budget request, but the budget request was denied. He said we can try it again by having conversations with the Governor's office.

In response to a question about how this program has impacted the regental system's enrollment numbers, Dr. Turman said that the enrollment report which shows how many HSDC students are enrolled in the regental system will be available in December.

Regent Schaefer asked that a follow-up agenda item be brought back at the Board's December meeting with additional analysis on options to be considered by the Board. Regent Sutton said that if the data is available before December, the Board would like to see it sooner.

Regent Bastian asked who determines how much money goes into the HSDC program. Dr. Turman said the program was added to the budget in the 2014 Legislative Session, and each year the

legislature has appropriated money requested by the Governor as part of the General Appropriations bill.

Regent Roberts said this was a negotiated program between the Board and the Governor's office. She said this is a Governor's program that is not in statute. Therefore, December will be a very important discussion because another administration may not want to continue the program and it may become the Board's project. She said this would be the time to determine what kind of program the Board could continue to support.

In response to a question by Regent Morgan, Dr. Turman explained that initially students paid ~\$40, but a year later the rate was changed to one-third (~\$50) due from the student and two-thirds (~\$100) due from the state.

Regent Bastian asked whether the Board has the flexibility to charge a much higher amount for tuition, and give students a rebate when they enroll in a regental institution. Dr. Turman said this would need to be negotiated with the Governor. He said that he and Dr. Rush could have a conversation with the Governor to gather feedback that would inform the Board's December conversation.

Describing the monies provided by the legislature, Dr. Turman said the current enrollment is used to budget for the following year. However, the enrollment numbers have grown every year and the amount appropriated for the state portion of the HSDC program was always increased to make sure each student got the proportionate amount. He said if the legislature does not continue to fund the program, the Board will have to decide what to do about the unfunded portion, potentially charging the student instead.

A copy of the High School Dual Credit Enrollment and Grade Report can be found on pages \_\_\_\_\_ to \_\_\_\_\_ or the official minutes.

### **6-K Early College Options Update**

Dr. Paul Turman, System Vice President for Academic Affairs, stated that in an effort to facilitate initial conversations around the creation of an Early/Middle College model in alignment with existing High School Dual Credit (HSDC) program opportunities, the Harrisburg Superintendent and his staff met with representatives from the BOR central office, DSU, SDSU and USD in early March to discuss potential collaboration. When this potential collaboration was discussed by the Board during the June 2017 meeting, there was support for DSU to move forward in delivering a MATH 102 College Algebra course at the Harrisburg High School during Fall 2017 as a pilot with a goal of bringing a more detailed update related to the enrollments and initial success of the course forward during the October 2017 meeting. The intent was to allow DSU to assess the established HSDC rate to students seeking to enroll, and that alternative tuition models would be reviewed and presented to the Board for additional discussion.

Currently, DSU has a total of 28 students enrolled in the College Algebra course at Harrisburg and no issues/concerns have emerged during the first weeks of delivery under this model. Harrisburg has identified 80 students that would qualify for this program, and during discussion with

University Center – Sioux Falls staff, the district is asking them to teach A&S 100 First Year Seminar (1 credit), A&S 101 Career Exploration (1 credit), and SPCM 101 Fundamentals of Speech (3 credits). Students selecting this path with the regental system would also include an internship in a chosen field of interest. Harrisburg is also asking Southeast Technical Institute to offer a Certified Nursing Assistant course which would include 16 hours of clinical work. Only the credit bearing coursework earned through the regental system would have equivalent course transfer under this model.

Regent Roberts asked whether there are other school districts approaching the regental institutions to offer something similar. Dr. Turman said the provosts have been approached by their local districts asking about establishing an early college program in the local district.

Regent Schieffer asked whether the Board is the driver of this effort or is reacting to interest from school districts. Dr. Turman said this engagement is stemming from the districts themselves. He said Harrisburg initiated this effort originally. He believes this is the same with the other districts.

Regent Bastian clarified that regental institutions should be encouraged to have discussions with local school districts about early college models. Once specific models are developed in concept, these should be brought to the Board for consideration.

Regent Morgan agreed and said the Board wants higher education and K-12 to be talking on a regular basis.

IT WAS MOVED by Regent Morgan, seconded by Regent Adam, to approve the proposed sequence of courses for the Harrisburg School district for the Spring 2018 term, and request the report on the pilot be provided to the Board at its June 2018 meeting. Motion passed.

A copy of the Early College Options Update can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

#### **6-L SARA Licensure Notification Requirement**

Dr. Paul Turman, System Vice President for Academic Affairs, stated that during the December 2016 Board of Regents meeting, an update on a number of federal regulatory requirements was provided, including an overview of new expectations for providing licensure disclosure requirements. When South Dakota institutions entered into an agreement with the South Dakota Board of Regents to participate in the State Authorization Reciprocity Agreement (SARA), they agree to a set of licensure disclosure requirements established by the U.S. Department of Education that are scheduled to take effect on July 1, 2018. Most recently during January 2017 and August 2017 Academic Affairs Council (AAC) meetings, AAC discussed strategies for manage these requirements for both on-campus and on-line degree programs. This item provides an update on those discussions.

A copy of the SARA Licensure Notification Requirement can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

## **6-M Proactive Admissions Update**

Dr. Paul Turman, System Vice President for Academic Affairs, provided the Board with a current status update of the Proactive Admissions initiative in partnership with the South Dakota Department of Education. He said letters were distributed to 4,500 high performing students throughout the state. Additionally, as an application comes in as a result of this, data is available to track which applications come in as a result of this effort. He said because there is a December 1 deadline, data will be available for the December Board meeting.

The Board discussed anecdotal evidence that this effort has been effective in prompting students to complete applications.

In response to a question, Dr. Turman explained that the criteria for proactive admissions is the Smarter Balanced scores or ACT.

A copy of the Proactive Admissions Update can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

## **6-N 2017 South Dakota Condition of College and Career Readiness**

Dr. Paul Turman, System Vice President for Academic Affairs, noted that every year ACT releases a report that looks at the progress of the ACT-tested students from that year's graduating class relative to college and career readiness. The report provides a comprehensive picture of the current graduating class in the context of college readiness, and offers a glimpse at the emerging educational pipeline. The 2017 South Dakota Condition of College and Career Readiness special data analysis provides a summary of the most recent report from ACT specific to South Dakota students.

He said the data shows that roughly 13% of South Dakota students who take the ACT do not go onto higher education, and many of these students have an ACT score of 21 or higher.

In response to a question by Regent Morgan about whether we can ask these students why they are not going onto higher education, Dr. Turman said that we cannot per the existing data agreement with the South Dakota Department of Education. In order to do so, he would need to revise the data agreement allowing the Board to reach out to students once they have graduated high school.

In response to Regent Schieffer asking whether there are ways to increase the number of high school students who take the ACT, Dr. Turman said he would work with Molly Hall-Martin, to get a better sense about what high schools are doing to encourage taking the ACT and whether there are additional activities the regental system can do to support this effort.

Regent Morgan said he would be interested in knowing about the number of students who cannot afford the ACT because that is a red flag for being able to afford college.

A copy of the 2017 South Dakota Condition of College and Career Readiness can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **6-O FY17 R&D Report**

Nathan Lukkes, System Assistant Vice President for Research and Economic Development, said the FY17 R&D Report provides an update on the incremental steps to advancing and growing the system's research enterprise, which is Goal 3 of the Regents' Strategic Plan. He said although the majority of system research is federally funded, there are four ongoing state programs that support the system research enterprise. These include the Competitive Research Grant Program, Research and Development Grant Program, Governor Research Center Program, and Proof of Concept Program.

Overall, Nathan said he was pleased with the statistics in the report but the real test will be whether research in the system continues to grow over the next two years. He provided examples of the good things that are happening with the limited dollars the system is getting from the state programs.

Regent Sutton said this is the type of information that the Board needs to communicate. He said page 16 is extremely helpful and tells a great story.

A copy of the FY17 R&D Report can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **Budget and Finance**

#### **7-A Building Committee Report**

Dr. Monte Kramer, System Vice President of Finance and Administration, provided the building committee report to the Board.

A copy of the Building Committee Report can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

#### **7-B Capital Project List**

Dr. Monte Kramer, System Vice President of Finance and Administration, provided the capital project list to the Board.

A copy of the Capital Project List can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

#### **7-C First Amendment to the SDSU Sanford-Jackrabbit Facility Use Agreement Update**

Guilherme Costa, Board of Regents General Counsel, explained that at the June 2017 Board Meeting, the Board authorized SDSU to complete negotiation of the First Amendment to the Sanford-Jackrabbit Facility Use Agreement with Sanford Health, and (2) authorized the Executive Director to review, approve, and execute the negotiated First Amendment to the Sanford-

Jackrabbit Facility Use Agreement after the General Counsel has approved the agreement as to matters of style and form. Since June, SDSU has completed the negotiation and the Executive Director has executed the negotiated First Amendment to the SDSU Sanford Jackrabbit Facility Use Agreement. Guilherme identified the two changes that were made to the document during the subsequent SDSU negotiations and informed the Board that this item is intended to share the final document with the Board.

A copy of the First Amendment to the SDSU Sanford-Jackrabbit Facility Use Agreement Update can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

#### **7-D Public Service Activity Report FY17**

Shelly Anderson, System Director of Internal Auditor, explained that each year the Board receives a report from the universities to determine whether institutions have complied with BOR Policy 1:22. She said this report fulfills the annual auditing obligation and believes the responses provided by NSU and SDSU are reasonable and should correct the negative cash.

A copy of the Public Service Activity Report can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

#### **7-E USD Dakota Dome Renovation Preliminary Facility Statement**

Sheila Gestring, USD Vice President of Finance, reviewed USD's preliminary facility statement to begin planning the renovation of the Dakota Dome. She said USD hired Davis Design to conduct an infrastructure study of the current facility to determine areas within the facility that require improvement. In combination with information from a recent Title IX review, several items were identified as needing updates including, but not limited to, lighting, HVAC systems, plumbing systems, fire alarm system, restroom facilities, sound system, locker rooms, meeting rooms, coaching offices, and support spaces. The renovations will allow USD to meet Title IX requirements, international building and fire code requirements, and will provide a safer facility for students, staff, faculty, and visitors. If the project is approved, a regent will need to be appointed as the building committee representative.

She said the USD Foundation will cover the principal and interest for the project.

Dr. Monte Kramer, System Vice President of Finance and Administration, followed up, saying that he is comfortable with this project, especially given that the Foundation will cover the principal and interest.

Dr. Kramer further clarified that USD will use \$5.4 million of M&R allocations for the building project. In response to a question by Regent Schieffer about whether this amount will stress the HEFF M&R account any further, Dr. Kramer said USD is requesting to use it out of the USD annual allocation and campuses have always made the decisions of how to allocate their M&R money to projects on the campuses determined by their greatest need. He said that his role is to confirm that the intended use properly qualifies as M&R.

Sheila described the process USD uses to determine its M&R priorities. She further explained that the proposed use of \$5.4 million M&R money would be spread over three years for the Dakota Dome project, as completion is not projected until 2020.

IT WAS MOVED by Regent Roberts, seconded by Regent Wink, to approve the USD Dakota Dome Renovation Preliminary Facility Statement as presented. Motion passed.

A copy of the USD Dakota Dome Renovation Preliminary Facility Statement can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-F Obligation Recovery Center**

Mary Ellen Garrett, System Accounting Director, provided the Obligation Recovery Center (ORC) report. The report shows the number of accounts referred and the associated dollar amounts for the regental system and each institution. The activity goes back to 2011 through the last half of FY17. Payment agreements have been arranged for over \$997,000 of debt system-wide.

Dr. Monte Kramer, System Vice President of Finance and Administration, said that prior to the ORC being established, the campuses were collecting debt through the use of different collection agencies. Before the ORC, he said other state departments had not been previously collecting debt.

Answering Regent Thares' question about the source of most debt in the system, Dr. Kramer said most of these are tuition and fees debts. He clarified that the information provided is from 2011 to present because the system was not allowed to write off debt until the ORC was created and implemented. The system is now at less than 1% of uncollected student debt whereas the national average is 2-3%.

Overall, he said, because of the incentives the state has been able to put in place, the conversion to the ORC has been a success.

Dr. Rush clarified that the ORC does not collect federal student loan debt.

A copy of the Obligation Recovery Center can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-G Iowa Tuition Report**

Dr. Monte Kramer, System Vice President of Finance and Administration, reviewed the credit hour and tuition revenues for Iowa students for the last fiscal year. The data suggests that the number of Iowa students recruited could have been maintained at the nonresident rate. However, because the Board approved the tuition program in April of 2016, campuses did not have time to market the program and many students had decided where they were going by that time. The universities feel that another year will provide a better measurement of the success of the program. When looking at fall over fall, a growth in Iowa residents is clear and it would appear that we will achieve or exceed the breakeven point in FY18.

Regent Schieffer said he would be interested in seeing whether institutions other than USD had been seeing a decline in Iowa students before this tuition break. He also wanted to know whether it would take a similar amount of time to break even if this were extended to other states.

Dr. Kramer said that he would like to see the Board approving programs like this in December so institutions could market earlier and hopefully get to the breakeven point sooner.

A copy of the Iowa Tuition Report can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-H SDSU Residence Hall 2% M&R Plan**

Dr. Monte Kramer, System Vice President of Finance and Administration, reminded the Board of the April 2013 BOR policy requiring campuses to invest a minimum of 2% of replacement values into maintenance and repair annually for residential facilities. SDSU has not been investing the necessary funds into the residential facilities and was required to put together a funding plan as a condition of moving forward with the Southeast Neighborhood Project Development. SDSU provided a summary of the FY18, FY19, and FY20 plans and revenue sources to make sure SDSU meets the 2% requirement.

IT WAS MOVED by Regent Roberts, seconded by Regent Schieffer, to approve the SDSU 2% maintenance and repair plan including the approval in rental rates above inflation of 1.5% each year in FY19 and FY20 if deemed necessary to meet the plan. Motion passed.

A copy of the SDSU Residence Hall 2% M&R Plan can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-I USD Muenster Student Union Financing Update**

Dr. Monte Kramer, System Vice President of Finance and Administration, informed the Board that USD has made the final payment to pay back the RRR account used to internally finance the addition to the Muenster University Center. The repayment of \$7,446,611 was originally supposed to come from proceeds generated by the Muenster Student Union, with final payment in FY23. In order to accelerate the repayment process, USD identified additional fund sources. The item lists the fund sources used to reimburse the residence hall and wellness RRR funds.

A copy of the USD Muenster Student Union Financing Update Building Committee Report can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-J BOR Policy 5:4 – Purchasing (Emergency Approval)**

Dr. Monte Kramer, System Vice President of Finance and Administration, reviewed the changes proposed by the procurement group to BOR Policy 5:4 – Purchasing. He described one revision to the policy compared to the policy as found in Attachment I.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve the first and final reading of the changes made to BOR Policy 5:4 – Purchasing with one revision to keep the

following sentence in the policy: “In addition, technology purchases are subject to the Board of Regents Policy 7:6 – Technology Purchases.” Motion passed.

A copy of the BOR Policy 5:4 – Purchasing (Emergency Approval) can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

#### **7-K BOR Policy 5:5:3 – Tuition and Fees: Special Course Types (Emergency Approval)**

Mary Ellen Garrett, System Accounting Director, explained that the policy has been put in the new format. No substantive changes have been made.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the first and final reading of the changes made to BOR Policy 5:5:3 – Tuition and Fees: Special Course Types. Motion passed.

A copy of the BOR Policy 5:5:3 – Tuition and Fees: Special Course Types (Emergency Approval) can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

#### **7-L BOR Policy 5:5:4 – Tuition and Fees: Fees (Second Reading)**

Mary Ellen Garrett, System Accounting Director, explained that other than formatting changes, the only substantive change made to the policy clarified the student approval process when the General Activity Fee (GAF) is increased above inflation.

In response to a question by Regent Adam, Dr. Kramer explained that at some point workshops were being done on campus and needed clarification as to whether the GAF would be charged.

IT WAS MOVED by Regent Roberts, seconded by Regent Schaefer, to approve the second and final reading of the changes made to BOR Policy 5:5:4 – Tuition and Fees: Fees. Motion passed.

A copy of the BOR Policy 5:5:4 – Tuition and Fees: Fees (Second Reading) can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

#### **7-M BOR Policy 5:12 – Employee Travel (Emergency Approval)**

Mary Ellen Garrett, System Accounting Director, explained that no substantive changes have been made to BOR Policy 5:12 – Employee Travel other than formatting and definitions.

Regent Sutton asked why an emergency approval is necessary. Dr. Kramer noted that because these were not substantive changes it was not necessary to review twice.

Guilherme Costa, Board of Regents General Counsel, explained that with the changes to the By-Laws that were approved in Board Item 5-G, the Board can, by unanimous consent, waive the two-reading requirement for policy changes without calling it an emergency.

Regent Schieffer said that many of the policies repeat language in multiple places, which grows the length of the policy and policy manual. He suggested that the format changes be applied to whichever policies are being updated, that all such policies be placed in a single Board item, and that the single Board item go through two readings.

Regents Morgan and Roberts said policies with no substantive changes could go forward with one reading as approved by unanimous consent, in light of the changes to the By-Laws. It was suggested that these be placed within the Consent Agenda.

IT WAS MOVED by Regent Roberts, seconded by Regent Schaefer, to approve the first and final reading of the changes made to BOR Policy 5:12 – Employee Travel. Motion passed.

A copy of the BOR Policy 5:12 – Employee Travel (Emergency Approval) can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

#### **7-N BOR Policy 5:13 – Fleet Vehicle Usage (Second Reading)**

Dr. Monte Kramer, System Vice President of Finance and Administration, explained that BOR Policy 5:13 – Fleet Vehicle Usage is necessary in order to support student recruitment and related activities. The policy serves as a guide for the use of state-owned fleet vehicles by the regental system.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the second and final reading of the changes made to BOR Policy 5:13 – Fleet Vehicle Usage. Motion passed.

A copy of the BOR Policy 5:13 – Fleet Vehicle Usage (Second Reading) can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

#### **7-O BOR Policy 5:14 – Protection of Social Security Numbers (First Reading)**

Dr. Monte Kramer, System Vice President of Finance and Administration, explained that protecting personal information of all members of the regental community is a foremost commitment of the Board. BOR Policy 5:14 – Protection of Social Security Numbers pertains to the collection, storage, use and disclosure of social security numbers. A more comprehensive policy regarding personally identifiable information (PII) is being developed.

Dr. Kramer confirmed that this policy was crafted after review of several other university system's policies.

IT WAS MOVED by Regent Roberts, seconded by Regent Thares, to approve the first reading of the changes made to BOR Policy 5:14 – Protection of Social Security Numbers. Motion passed.

A copy of the BOR Policy 5:14 – Protection of Social Security Numbers (First Reading) can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-P BOR Policy 5:23 – Cell Phones (Emergency Approval)**

Mary Ellen Garrett, System Accounting Director, explained that no substantive changes have been made to BOR Policy 5:23 – Cell Phones other than formatting and definitions.

IT WAS MOVED by Regent Roberts, seconded by Regent Bastian, to approve the first and final reading of the changes made to BOR Policy 5:23 – Cell Phones. Motion passed.

A copy of the BOR Policy 5:23 – Cell Phones (Emergency Approval) can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-Q BOR Policy 5:24 – Effort Certification (First Reading)**

Mary Ellen Garrett, System Accounting Director, explained that the Research Affairs Council and the Grants Module provided input regarding the proposed changes to BOR Policy 5:24 – Effort Certification. The policy also reflects the new format.

IT WAS MOVED by Regent Roberts, seconded by Regent Schaefer, to approve the first reading of the changes made to BOR Policy 5:24 – Effort Certification. Motion passed.

A copy of the BOR Policy 5:24 – Effort Certification (First Reading) can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-R DSU Madison Cyber Labs Facility Design Plan**

Stacy Krusemark, DSU Vice President of Finance and Administration, requested approval of DSU's Madison Cyber Labs Facility Design Plan. He said no substantive changes have been made from the Facility Program Plan approved by the Board at the May 2017 Board meeting. The cost of \$18,000,596 will be funded with private donations and grants. Legislation will be submitted in the 2018 session requesting approval of construction. He said funding will come from private funds and grants, and legislation will be submitted requesting approval of construction in the 2018 legislative session.

IT WAS MOVED by Regent Schaefer, seconded by Regent Roberts, to approve DSU's Facility Design Plan for construction of the Madison Cyber Labs at a cost not to exceed \$18,000,596. Motion passed.

A copy of the DSU Madison Cyber Labs Facility Design Plan can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-S NSU Regional Sports Complex Preliminary Facility Statement**

Northern State University President Tim Downs requested approval of NSU's Preliminary Facility Statement to begin planning for an on-campus sports complex that would feature a football stadium and softball field. The football stadium would have a capacity to hold 8,000 spectators and include a turf field, premium seating space, fan amenities, scoreboard, lights, restrooms, maintenance

equipment and facilities, and media and coaching space. The sports complex also includes a softball stadium with a turf field, dugouts, fan amenities, restroom, media pavilion, fan seating for 300, a locker room, and storage for maintenance and support services.

He said this project is consistent with the goals of the 2017 NSU Campus Master Plan. The complex will be a key addition to the continued development and enhancement of NSU's campus. This facility would be built on the site currently occupied by the South Dakota School for the Blind and Visually Impaired (SDSBVI). Using this location is predicated on the approval of a land exchange between NSU and SDSBVI and the construction of a new SDSBVI facility on the site currently occupied by Jerde Hall.

Veronica Paulson, NSU Vice President of Finance and Administration, explained that the budget for development of a Facility Program Plan is \$300,000-\$500,000; this will be funded by private donations through the foundation.

If approved, a regent would need to be appointed to the building committee to oversee this project.

Regent Schieffer asked how the maintenance of the two facilities outlined in agenda items 7-S and 7-U would be funded moving forward.

Dr. Monte Kramer, System Vice President of Finance and Administration, said the new SDSBVI facility would not be funded by HEFF. He explained that there are two fund sources for the special schools (statewide M&R funds and land trust). He said the NSU facility would be subject to the M&R fund.

Regent Schieffer said he would go forward with the project being discussed but our ability to fund the maintenance of these buildings is an ongoing concern.

Dr. Kramer agreed that the 2% M&R requirement is a concern as additional facilities come online, especially when recognizing that the system is already behind the 2% requirement and not able to keep up with inflation. He said the way we calculate the M&R need from the state is by calculating what we can contribute and asking the state for the balance.

Regent Sutton asked that the system engage in a system-wide, global strategic discussion about what the future looks like for M&R. He said we should research what other state systems have done, paying close attention to those states where buildings are not funded by the state.

Regent Sutton asked whether M&R requirements have been different for SDSU. In follow-up, Dr. Kramer said that a few facilities at SDSU had different requirements related to M&R. He said it was a requirement that the SDSU stadium operations fund also pay for its own M&R.

IT WAS MOVED by Regent Thares, seconded by Regent Roberts, to approve the NSU's Preliminary Facility Statement to develop preliminary plans funded by private donations for an on-campus sports complex. The budget for development of a Facility Programs Plan is \$300,000-\$500,000. Motion passed.

A copy of the NSU Regional Sports Complex Preliminary Facility Statement can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-T NSU Athletic and Recreation Fields Facility Program Plan**

Monte Kramer, System Vice President of Finance and Administration, handed out confirmation letters from the NSU Foundation accepting responsibility for the NSU Athletic and Recreation building project as well as the new South Dakota School for the Blind and Visually Impaired (SDSBVI) facility.

Veronica Paulson, NSU Vice President of Finance and Administration, requested approval of NSU's Facility Program Plan for the construction of a new synthetic turf athletic and recreational practice and competition fields, spectator seating for 300, and an equipment storage building for an estimated cost of \$5,000,000. The project's Preliminary Facility Statement was approved by the Board in May 2017.

She said these new fields will be located east of Jerde Hall and include one soccer field to be used for both practice and competition and a practice football field. The fields will be built on the site of the two fields currently used for soccer practice and competition. In the spring of 2018, construction of the Regional Science Education Center will begin on the site of the current football practice field. The NSU football program will need a new practice field ready for use by August 1, 2018.

The only area large enough to accommodate these fields is the land owned by NSU east of Jerde Hall, between Lloyd Street and Dakota Street. The university currently maintains twelve tennis courts located at the east end of this site. Six of the courts will be demolished in order to provide adequate space for both fields and allow a buffer between the two fields for a future pavilion.

She said the projected cost of these new fields, seating, and equipment storage building is \$5,000,000, all of which will come from private funds. Operating costs for the new facility will be funded through the university's utility allocation and existing operating budget. Anticipated annual operating costs are approximately \$10,000, including an additional \$5,000 for utilities. Maintenance and repair costs for the facility will be funded through the university's annual M&R allocation.

She indicated that the project would require legislative approval.

Regent Sutton clarified that the location of the fields would be in the back yard to the east of the new SDSBVI facility.

Regent Morgan asked whether the M&R was calculated the same as other buildings. He also wanted to know what percentage of the project would be made up of buildings.

Dr. Kramer said the M&R allocation is only for actual buildings, so only the buildings that are part of this project will receive M&R allocation. With that said, NSU can choose to spend its M&R allocation to maintain the fields; about 10% of project is made up of buildings.

IT WAS MOVED by Regent Thares, seconded by Regent Wink, to approve the NSU's Facility Program Plan to construct the athletic & recreational practice and competition fields, seating, and equipment storage building at an estimated cost of \$5,000,000. All funding for this project will come from private funds. Motion passed.

A copy of the NSU Athletic and Recreation Fields Facility Program Plan can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-U SDSBVI New School Construction Preliminary Facility Statement & Facility Program Plan**

Marje Kaiser, Superintendent of the South Dakota School for the Blind and Visually Impaired (SDSBVI), provided the history behind the current school building. She said the potential for collaboration with Northern State University (NSU) was part of the reason the school moved from Gary to Aberdeen and that collaboration has proven to be effective. Additionally, she said the school currently serves more students today than at any time in its history.

She explained the needs for an updated facility and requested approval of SDSBVI's Preliminary Facility Statement and Facility Program Plan for the construction of a new school building at an estimated cost of \$13,558,993. She explained that the project will include construction of a new building totaling 50,043 gross square feet on 3.5 acres, as well as the demolition of the current 65,000 square foot building on 10 acres. Plans are suggested for the building to be located at the corner of 14<sup>th</sup> Avenue and State Street; this is the current location of Jerde Hall. This location offers easier access for student drop-off and shortens the distance between SDSBVI and NSU. The proximity to NSU will allow for easier collaboration of the schools.

She said funding for this project's construction will come entirely from private donations. Operating costs for the new facility will be funded through SDSBVI's current general funds operating budget. There will be no additional staffing needs. Maintenance and repair costs for the facility will be funded through school and public lands funding.

With approval of the project, a regent will need to be appointed to the building committee.

Regents congratulated the two institutions on their partnership as well as the Aberdeen community for investing in these projects. They noted that the teacher education opportunities described have great potential of being a new national focus on how to address the teacher shortage.

IT WAS MOVED by Regent Schaefer, seconded by Regent Wink, to approve the SDSBVI's Preliminary Facility Statement and Facility Program Plan for construction of a new school building at an estimated cost of \$13,558,993 from private funding sources. Motion passed, Regent Thares abstained.

A copy of the SDSBVI New School Construction Preliminary Facility Statement & Facility Program Plan can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

## **7-V SDSU Precision Ag Classroom & Lab Building and Berg Ag Hall Renovation Facility Program Plan**

Dean Kattelman, SDSU Vice President of Facility Services, requested approval of SDSU's Facility Program Plan for the Precision Ag Classroom & Laboratory Building and Berg Ag Hall Renovation. The estimated cost is \$55,000,000.

The original Preliminary Facility Statement was approved by the Board of Regents in August 2015 and assigned Regent Morgan as the building committee representative. EAPC Architects were appointed as the design team, with Clark Enersen Partners as the laboratory design consultants. A revised Preliminary Facility Statement was then approved by the Board of Regents in December 2016.

The project will include construction of a new classroom and laboratory building totaling 129,000 gross square feet, the renovation of the first and second floors of Berg Ag Hall, totaling 41,422 gross square feet, and demolition of the Seedhouse, West Head House, and Wheat House, totaling 22,395 gross square feet. This will result in an additional 106,605 square feet of space.

Meeting the growing demand for a highly skilled workforce in precision technology development and use in South Dakota will require the convergence of teaching, research and outreach efforts of plant, soil and agronomic scientists, agriculture engineers, statisticians and data scientists, economists and climatologists into a more collaborative environment.

The Ag Engineering Department will vacate the Ag Engineering building at the completion of this project. The building will be retained to house other research and classroom space that will remain in continued use after the Precision Ag project is completed. The university is working on a space plan that will reassign other departments and uses to the remaining vacated spaces.

Funding for this project's construction will come from the South Dakota Corn Utilization Council, SDSU sponsored program overhead funds to service bonds, private funds and agricultural property tax rebate funds.

The utility and operating costs of the facility will be funded from university operating budgets.

He said SDSU estimates the need for additional maintenance and repair at \$1,100,000. The amount would be slightly less than that given the buildings coming off-line and the dollars going to remodel a current facility. The impact is estimated at closer to \$900,000. Because this is an academic facility, that money would have to come from HEFF or state funded maintenance and repair. The system is currently at 1.8% of total replacement value investment annually in maintenance and repair and the HEFF pool is not growing to fund additional maintenance and repair.

In response to a question by Regent Thares, SDSU President Barry Dunn provided history on the \$31,500,000 of Ag Property tax rebate funds.

Regent Sutton emphasized the importance of the system having a discussion about the future of HEFF M&R funds. He said the system is below the funding level where it wants to be for the HEFF M&R fund and that the storm is coming if we don't figure out what we are going to do about it.

Regent Schieffer said he would like a document that outlines history of this fund, the formula we use to calculate the need considering the current age of buildings, how these funds are allocated and whether the allocation decision or formula still makes sense and is sustainable. The Board generally agreed that they need this information before the December Board meeting so it can consider and make decisions at that time.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve SDSU's Facility Program Plan for the Precision Ag Classroom & Laboratory Building and Berg Ag Hall Renovation project at an estimated cost of \$55,000,000. SDSU requests the authority to continue with design services on this project funded with private donations; this will allow the details of the project scope and cost estimates to be refined. Motion passed.

A copy of the SDSU Precision Ag Classroom & Lab Building and Berg Ag Hall Renovation Facility Program Plan can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes.

### **7-W SDSM&T Revenue System Property Purchase**

Steve Malott, SDSM&T Vice President of Finance and Administration, requested authorization for SDSM&T to buy property that would become part of the housing and auxiliary operation.

The transaction would purchase Placer Hall, currently leased from the South Dakota School of Mines & Technology Foundation. The transactions will be based on the property real estate value determined at the time of the lease adjusted for inflation and the balance of the construction loans currently held by the Foundation. The land value determined at that time was based on the Foundation's acquisition costs plus inflation and would result in a land value currently of \$1,790,320 (as of December 2017). Appraisals performed at the time of construction determined the value to be in excess of this amount. The balance of the loan is \$9,000,000 making a current purchase price of \$10,790,320 as of December 2017. Costs for issuing the bonds is estimated to total \$211,718 assuming it will be combined with other system financing, for a total bonding of \$11,002,038. Environmental assessments have been conducted on the property being purchased with no report of hazardous material.

Because the Board has ongoing legislative authority under SDCL 13-51A-2 to acquire, own, operate, maintain, and dispose of revenue producing buildings, structures, and facilities in or for the Revenue System, no additional legislative authorization is needed for this transaction.

The proposed purchase would acquire Placer Hall and its grounds located at 209 East St. Joseph Street in Rapid City. This expenditure and property will benefit the housing and auxiliary operation of SDSM&T and the BOR Revenue System.

The property is currently under a thirty-year lease for use as a residence hall by SDSM&T and would be purchased from the SDSM&T Foundation. The current lease was approved by the Board of Regents on June 30, 2016.

IT WAS MOVED by Regent Schaefer, seconded by Regent Wink, to authorize SDSM&T to purchase Placer Hall and its grounds located at 209 E. St. Joseph Avenue, Rapid City, Pennington County, SD for \$10,790,320 plus underwriting and normal incidental costs, subject to adjustment on the land value portion of the purchase price of \$1,790,320 at an annual rate of 2.2% if the purchase is delayed beyond January 2018. This authorization requires that the purchased property be placed into the University's Institutional Housing and Auxiliary Facilities Revenue System. Motion passed.

A copy of the SDSM&T Revenue System Property Purchase can be found on pages \_\_\_\_ to \_\_\_\_ or the official minutes

### **ADJOURNMENT**

IT WAS MOVED by Regent Bastian, seconded by Regent Thares, to adjourn the meeting at 12:00 p.m. Motion passed.

**BOARD OF REGENTS  
MINUTES OF THE MEETING  
November 1-2, 2017**

The Board of Regents convened at 8:00 a.m. on November 1, 2017, in the Surbeck Center at South Dakota School of Mines & Technology (SDSM&T) in Rapid City, South Dakota, with the following members present:

Bob Sutton, President  
Kevin Schieffer, Vice President  
John Bastian, Secretary  
Conrad Adam, Regent  
Jim Morgan, Regent  
Pam Roberts, Regent  
Randy Schaefer, Regent  
Jim Thares, Regent  
Joan Wink, Regent

Regent Sutton called the public meeting of the Board of Regents to order and declared a quorum present.

IT WAS MOVED by Regent Bastian, seconded by Regent Roberts, to dissolve into Executive Session at 8:00 a.m., in order to discuss personnel matters at 8:00 a.m., 12:00 p.m., and 5:00 p.m. on Wednesday, November 1, 2017; and to discuss personnel matters at 8:00 a.m., 10:30 a.m., and 3:00 p.m. on Thursday, November 2, 2017; and that it adjourn at 6:00 p.m. on Thursday, November 2, 2017. Motion passed.

The Board dissolved into executive session.

**BOARD OF REGENTS  
MINUTES OF THE MEETING**

**South Dakota School of Mines & Technology  
Surbeck Center Ballroom  
Rapid City, South Dakota  
November 7, 2017**

The Board of Regents convened at the South Dakota School of Mines & Technology (SDSM&T) in Rapid City, South Dakota, and via teleconference at 2:30 p.m. on November 7, 2017.

ROLL CALL:

Bob Sutton – PRESENT  
Kevin Schieffer – PRESENT (via teleconference)  
John Bastian – PRESENT  
Conrad Adam – PRESENT  
Jim Morgan – PRESENT (via teleconference)  
Pam Roberts – PRESENT (via teleconference)  
Randy Schaefer – PRESENT (via teleconference)  
Jim Thares – PRESENT (via teleconference)  
Joan Wink – PRESENT

Also present during all or part of the meeting were Mike Rush, Executive Director and CEO; Molly Weisgram, Janelle Toman, BOR; and members of SDSM&T and the Rapid City community.

Regent Sutton called the public meeting of the Board of Regents to order and declared a quorum present. He announced that the Board dissolved into Executive Session at 8:00 a.m. to discuss personnel matters at 8:00 a.m., 12:00 p.m., and 5:00 p.m. on Wednesday, November 1, 2017; and 8:00 a.m., 10:30 a.m. and 3:00 p.m. to on Thursday, November 2, 2017; and that it adjourned at 5:30 p.m. on Thursday, November 2, 2017.

Regent Bastian reported that while in executive session, the Board considered personnel matters, and gave directions to its executive director concerning these matters.

IT WAS MOVED by Regent Bastian, seconded by Regent Adam, that the Board approve directions given to the executive director with respect to matters discussed in executive session, that it defer until the completion of further remarks at this meeting approval of the appointment of a successor to Dr. Jan Puszynski as President of South Dakota School of Mines & Technology; and adopt the report of the Executive Session.

ROLL CALL:

Adam – AYE  
Bastian – AYE  
Morgan – AYE  
Roberts – AYE  
Schaefer – AYE

Thares – AYE  
Wink – AYE  
Schieffer – AYE  
Sutton – AYE

Motion passed.

Regent Sutton thanked the campus community for its support during the presidential selection. He introduced and thanked the regents on the search committee:

- John Bastian, Chair
- Jim Morgan
- Pam Roberts
- Bob Sutton, Board President, Ex-officio

He additionally introduced and thanked the Campus Search Committee:

- Pat Mahon, Executive Council Representative, Vice President for Student Development and Dean of Students
- Rod Rice, Faculty Representative, Professor of Humanities and Chair of the Faculty Senate
- Dan Dolan, Faculty Representative, Director of CAMP & Professor Emeritus of Mechanical Engineering
- Carter Kerk, Faculty Representative, Professor in the Industrial Engineering Department
- Ari Lopez, Student Representative, Senior, Chemical Engineering Major
- Aaron Campbell, Student Representative, Senior, Computer Science & Applied and Computational Mathematics Double Major
- Heather Forney, Non-Faculty Exempt Staff Representative, Controller/Director of Finance
- Cheryl Dillon, Civil Service Staff Representative, Program Assistant I, Student Activities and Leadership Center
- Ron Jeitz, Alumni Representative, Retired Texaco Marketing Executive & Member of the SD Mines Civil and Environmental Engineering Professional Advisory Board
- Lorin Brass, SD Mines Foundation Representative, Member of the Foundation Board of Trustees Executive Committee and Past Chairman of the Foundation Board of Trustees
- Linda Rabe, Community Representative, President/CEO of Rapid City Chamber of Commerce
- James Abbott, Representing the Board of Regents' Council of Presidents and Superintendents, President of the University of South Dakota

Regent Sutton explained that this has been a process that has taken considerable time and energy over the past several months. Each of the committee members made important contributions to the process and the selection of the school's next president. A special thank you to each of them for the professional manner in which they conducted the business of the committee. The results of this search are directly attributed to your dedication and commitment.

Regent Sutton thanked the campus community for its participation in the process. He explained how the campus assisted the Board in the beginning by nominating colleagues to serve on the search committee, by soliciting and making nominations of outstanding candidates, by patiently responding to the process, and by participating in the two-day campus interviews. He stated that one of the great things about the selection process is that it allows the campuses and the Board of Regents to become better acquainted and to work together on issues concerning all of us. Given the challenges and opportunities that lie ahead, such cooperation can only be beneficial.

He said this effort has also served to remind the Board of the extremely valuable role that South Dakota School of Mines & Technology plays in the development of the region's economy and its people. Our search for excellence also demands leadership that is responsive and innovative; aware not only of the present but also of the potential. At this point, Regent Sutton asked for a motion from the presidential search committee for the appointment of the new president of South Dakota School of Mines & Technology.

Regent Bastian said at this time he was pleased to present to the Board of Regents a report from the presidential search committee. He explained that with an outstanding field of candidates, the committee narrowed the field to an excellent pool of finalists that visited the campus last week. It is from this group of talented and experienced leaders that he recommended the appointment of Dr. Jim Rankin as President of South Dakota School of Mines & Technology.

Regent Bastian introduced Dr. Rankin to the campus community and shared Dr. Rankin's biographical information. He explained that Dr. Rankin is currently vice-provost for research and economic development, University of Arkansas. Under Dr. Rankin's leadership, the University of Arkansas has generated more than 50 start-up companies and significantly increased annual external funding to \$103 million. He led efforts to develop the institution's first strategic plan in research and economic development, instituted several faculty recognition programs, and developed an expedited industry contracting process. Previously at Ohio University, Dr. Rankin was interim vice president for research, associate dean, professor of electrical engineering, and director of the Avionics Engineering Center. He has also been a professor at St. Cloud State University and an engineer at Rockwell-Collins. Dr. Rankin's personal research has been funded by NASA and FAA grants. His Ph.D. and master's degrees in electrical engineering were earned at Iowa State University. Significantly, he also holds a B.S. degree in electrical engineering from South Dakota School of Mines & Technology. As an alumnus, his commitment and passion for the success of the School of Mines is clear. He is joined today by his wife, Wendy.

IT WAS MOVED by Regent Bastian, seconded by Regent Adam, that Dr. Rankin be appointed President of South Dakota School of Mines & Technology effective January 8, 2017.

ROLL CALL VOTE:

Adam – AYE  
Bastian – AYE  
Morgan – AYE  
Roberts – AYE  
Schaefer – AYE  
Thares – AYE  
Wink – AYE

Schieffer – AYE  
Sutton – AYE

Motion passed.

Regent Bastian invited Dr. Rankin to make brief remarks.

Dr. Rankin made remarks regarding his enthusiasm for the role of President of South Dakota School of Mines & Technology and his vision for its future.

Regent Sutton announced that Dr. Rankin, Dr. Rush, and the other regents present would be available to the media for interviews following the meeting adjournment. Additionally, he welcomed the audience to a reception held in the Surbeck Ballroom immediately following the meeting.

### **ADJOURN**

IT WAS MOVED by Regent Bastian, seconded by Regent Wink, to adjourn the meeting of the full board at 3:00 p.m.

### **ROLL CALL VOTE:**

Adam – AYE  
Bastian – AYE  
Morgan – AYE  
Roberts – AYE  
Schaefer – AYE  
Thares – AYE  
Wink – AYE  
Schieffer – AYE  
Sutton – AYE

Motion passed. Meeting adjourned.