

**BOARD OF REGENTS
MINUTES OF THE MEETING
March 27-29, 2018**

The South Dakota Board of Regents met on March 27-29 at Black Hills State University in Spearfish, 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; Tasha Dannenbring, System Director of Institutional Research; Leah Ahartz, System Budget Manager; 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; Janelle Toman, System Director of Communications; Mary Ellen Garrett, System Accounting Manager; Jay Perry, System Assistant Vice President for Academic Affairs; Scott Van Den Hemel, System Financial Compliance Director; Jammie Raske, System Senior Information Technology Specialist; Barry Dunn, SDSU President; José-Marie Griffiths, DSU President; Tom Jackson Jr., BHSU President; James Rankin, SDSM&T President; Tim Downs, NSU President; James Abbott, USD President; Marjorie Kaiser, SDSD/SDSBVI; Kathy Johnson, Chris Crawford, Lois Flagstad, Jama Khainzan, Terry Hupp, Brandon Bentley, Jane Klug, BHSU; Dick Hanson, Stacy Krusemark, Marcus Garstecki, DSU; Veronica Paulson, Alan LaFave, NSU; Heather Forney, Steve Malott, SDSM&T; Dennis Hedge, Wesley Tschetter, Michaela Willis, Dean Kattelmann, SDSU; Jim Moran, Roberta Ambur, Sheila Gestring, Kim Grieve; Gene Bilodeau, BHSU-RC; Craig Johnson, UC-SF; Alan Aldrich, SDEA/COHE; and other members of the regental system and public and media.

TUESDAY, MARCH 27, 2018

BOARD WORK

ROLL CALL:

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

Regent Sutton declared a quorum present and called the meeting to order at 3:08 p.m.

1-B Approval of the Agenda

IT WAS MOVED by Regent Bastian, seconded by Regent Thares, to approve the agenda as published. Motion passed.

1-C Declaration of Conflicts

Regent Sutton explained that he will abstain from voting on item 6-C.1 BOR Policy Revisions 1:16 and 5:5.1 Revisions (Second Reading) because he benefits from the reciprocity agreement with Minnesota as his daughter is a student at the University of Minnesota.

1-D Approval of the Minutes – Meetings on December 5-7, 2017; January 12, 2018; January 26, 2018; February 9, 2018; March 9, 2018

IT WAS MOVED by Regent Schieffer, seconded by Regent Schaefer, to approve the minutes of the meetings on December 5-7, 2017; January 12, 2018; January 26, 2018, February 9, 2018 and March 9, 2018. Motion passed.

1-E Rolling Calendar

IT WAS MOVED by Regent Schaefer, seconded by Regent Schieffer, to approve April 2-4 as the date and BHSU in Spearfish as the location of next year's Board of Regents meeting. Motion passed.

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

1-F Election of Officers

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to elect the following slate of officers: Bob Sutton as President; Kevin Schieffer as Vice President; and John Bastian as Secretary effective March 30, 2018. Motion passed.

REGENTS' WORKSHOP

2-A University Auxiliary Business Plans

Dr. Monte Kramer, System Vice President of Finance and Administration, explained that the intent of the workshop is to provide the Board of Regents a more in-depth view of the universities' auxiliary systems and business operations. This includes all bookstores, food service operations, print shops, retail stores, and any other business operations run with the intent of breaking even or making money. It does not include any athletic operations or fine arts activities.

SDSM&T: Steve Malott, Vice President for Finance & Administration, and Heather Forney, Director of Finance/Controller, provided an overview of the institution's auxiliary system and business operations.

NSU: President Downs and Veronica Paulson, Vice President for Finance & Administration, provided an overview of NSU's auxiliary system and business operations.

DSU: Dr. Marcus Garstecki, Vice President for Student Affairs & Dean of Students, and Stacy Krusemark, Vice President for Finance & Administrative Services, provided an overview of DSU's auxiliary system and business operations.

BHSU: Kathy Johnson, Vice President for Finance & Administration, and Dr. Lois Flagstad, Vice President for Enrollment and Student Affairs, provided an overview of BHSU's auxiliary system and business operations.

USD: Dr. Kim Grieve, Vice President of Student Affairs/Dean of Students, and Sheila Gestring, Vice President for Finance & Administration, provided an overview of USD's auxiliary system and business operations.

SDSU: Wes Tschetter, Vice President for Business & Finance, and Dr. Michaela Willis, Vice President for Student Affairs, provided an overview of SDSU's auxiliary system and business operations.

In response to a question by Regent Schieffer, Dr. Kramer clarified that there is nothing requiring these operations to be profit centers although they are expected to be self-supporting. He said the auxiliary-system-bonded-facilities need to meet the coverage ratios whereas things outside the auxiliary system do not have to meet any ratios nor do they have any required expectations. He said all of the institutions want to have a strong bottom line to reinvest in these services.

A copy of the Regents' Workshop – University Business Auxiliary Plans can be found on pages ___ to ___ of the official minutes.

IT WAS MOVED by Regent Bastian, seconded by Regent Adam, that the Board dissolve into executive session at 5:30 p.m. on Tuesday, March 27, 2018, to discuss personnel matters; that it rise from executive session at 8:00 p.m.; that it reconvene in executive session at 8:00 a.m. on Wednesday, March 28, 2018, to discuss personnel matters, pending and prospective litigation, contractual matters, collective bargaining, 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, MARCH 28, 2018

The Board reconvened at 1:00 p.m.

CONSENT AGENDA

Regent Morgan requested that 4-K SDSU Strategic Alignment Request be taken off the consent agenda and be addressed in the Academic and Student Affairs Committee as 6-A.1.

IT WAS MOVED by Regent Schieffer, seconded by Regent Adam, to approve consent agenda items 4-A through 4-L, with the exception of 4-K [which was taken off the consent agenda]. Motion passed.

Academic and Student Affairs

4-A Student Organization Award Winners for 2017

Accept the recommendations offered by each institution for student organization awards and announce the names of the award winners.

A copy of the Student Organization Award Winner for 2017 can be found on pages ___ to ___ of the official minutes.

4-B Resolution of Recognition – DSU

Recognize David Maher (DSU) for his years of dedicated service to South Dakota's system of public higher education.

A copy of the Resolution of Recognition for David Maher can be found on pages ___ to ___ of the official minutes.

4-C (1) New Program Requests – SDSU – Minor in Apparel and Fashion Studies

Approve SDSU's new program proposal for a minor in Apparel and Fashion Studies as described in Attachment I.

A copy of SDSU's New Program Request for a Minor in Apparel and Fashion can be found on pages ___ to ___ of the official minutes.

4-C (2) New Program Requests – SDSU – Minor in History of Art and Design

Approve SDSU's new program proposal for a minor in History of Art and Design as described in Attachment I.

A copy of SDSU's New Program Request for a Minor in History of Art and Design can be found on pages ___ to ___ of the official minutes.

4-C (3) New Program Requests – SDSU – Minor in Performing Arts Administration

Approve SDSU's new program proposal for a minor in Performing Arts Administration as described in Attachment I.

A copy of SDSU's New Program Request for a Minor in Performing Arts Administration can be found on pages ___ to ___ of the official minutes.

4-C (4) New Program Requests – SDSU – Minor in Retail Merchandising

Approve SDSU's new program proposal for a minor in Retail Merchandising as described in Attachment I.

A copy of SDSU's New Program Request for a Minor in Retail Merchandising can be found on pages ___ to ___ of the official minutes.

4-D (1) New Certificate Requests – NSU – Jazz Pedagogy (Undergrad)

Approve NSU's undergraduate certificate in Jazz Pedagogy as presented in Attachment I.

A copy of NSU's New Certificate Request in Jazz Pedagogy (Undergrad) can be found on pages ___ to ___ of the official minutes.

4-D (2) New Certificate Requests – NSU – Piano Pedagogy (Undergrad)

Approve NSU's undergraduate certificate in Piano Pedagogy as presented in Attachment I.

A copy of NSU's New Certificate Request in Piano Pedagogy (Undergrad) can be found on pages ___ to ___ of the official minutes.

4-E New Specialization – SDSU – MS in Human Sciences – Developmental Sciences Specialization

Approve SDSU's Developmental Sciences Specialization in the Master of Science (MS) in Human Sciences program as presented in Attachment I.

A copy of the SDSU's New Specialization Request – MS in Human Sciences – Developmental Sciences Specialization can be found on pages ____ to ____ of the official minutes.

4-F Rate Approval for DSU Certificates in Cyber Security, Network Services, and Software Development at UC-SF

Approve DSU's request for a rate exemption as presented for the certificates in Cyber Security, Network Services, and Software Development offered at University Center-Sioux Falls.

A copy of the Rate Approval for DSU Certificates in Cyber Security, Network Services and Software Development at UC-SF can be found on pages ____ to ____ of the official minutes.

4-G (1) Agreements on Academic Cooperation – SD School of Mines & Technology

Approve the Agreement on Academic Cooperation between South Dakota School of Mines and Technology and Universidad Nacional del Centro del Peru.

A copy of the Agreements on Academic Cooperation – SD School of Mines & Technology can be found on pages ____ to ____ of the official minutes.

4-G (2) Agreements on Academic Cooperation – South Dakota State University

Approve the academic agreements between South Dakota State University and 1) INTI International University, Malaysia; 2) KDU College, Malaysia; 3) Kyambogo University of Kampala; 4) Sunway University, Malaysia; 5) Taylor's University, Malaysia; and 6) University of the Philippines, Los Baños.

A copy of the Agreements on Academic Cooperation – South Dakota State University can be found on pages ____ to ____ of the official minutes.

4-H Articulation Agreements - SDSU

Approve the articulation agreements presented between South Dakota State University and 1) Ridgewater College, 2) the South Dakota Department of Social Services – Division of Child Care, 3) Lake Area Technical Institute, 4) Mitchell Technical Institute, and 5) Southeast Technical Institute.

A copy of the Articulation Agreements – SDSU can be found on pages ____ to ____ of the official minutes.

4-I Inactive Status and Program Termination Requests – DSU, SDSU, USD & BHSU

Approve the revisions to the Terminal Degrees Table as provided in Attachment I.

A copy of the Inactive Status and Program Termination Requests – DSU, SDSU, USD and BHSU can be found on pages ____ to ____ of the official minutes.

4-J Terminal Degree Table Revisions – SDSU

Approve the revisions to the Terminal Degrees Table as provided in Attachment I.

A copy of the Terminal Degree Table Revisions – SDSU can be found on pages ____ to ____ of the official minutes.

4-K SDSU Strategic Realignment Request

<<Moved to 6-A.1 under the Committee on Academic and Student Affairs Committee>>

4-L (1) Naming Request – Department Name Changes – NSU

Approve NSU's requests to change the History, Political Science, Sociology and Geography department to the Department of History and Social Sciences; and change the Biology, Chemistry & Physics, & Mathematics department to the Science and Mathematics department.

A copy of the Naming Request – Department Name Changes – NSU can be found on pages ____ to ____ of the official minutes.

4-L (2) Naming Request – BHSU – Life Sciences Laboratory

Approve the request by Black Hills State University to rename the Life Sciences Laboratory as the Kathryn Johnson Life Sciences Laboratory.

A copy of the Naming Request – BHSU – Life Sciences Laboratory can be found on pages ____ to ____ of the official minutes.

4-L (3) Naming Request – USD – Center for Business Analytics

Approve the request by the University of South Dakota to name the Center as the POET Center for Business Analytics.

A copy of the Naming Request – USD – Center for Business Analytics can be found on pages ____ to ____ of the official minutes.

PLANNING, GOVERNANCE AND RESOURCE DEVELOPMENT

5-A Welcome and Presentation by BHSU President Tom Jackson, Jr.

BHSU President Tom Jackson, Jr. welcomed the audience to BHSU and described the many special aspects of Black Hills State University, including sustainability efforts and undergraduate research. He introduced Kelly Kirk, professor of history, and showed a video about the Veterans Legacy Program.

5-B Student Organization Awards – BHSU

Dr. Lois Flagstad, Vice President for Enrollment & Student Affairs, introduced the Student Organization Awards for BHSU. The Award for Academic Excellence for 2017 was presented to KBHU-TV. The Award for Community Service was presented to the University Honors Club. The Award for Organizational Leadership was presented to the Environmental Sustainability Student Organization.

A copy of the BHSU Student Organization Awards can be found on pages ____ to ____ of the official minutes.

5-C Reports on Individual Regent Activities

Regent Morgan reported that the Board's new Athletic Committee recently met for the first time. He said the USD and SDSU presidents and athletic directors were invited to that meeting. Additionally, he explained that he, Regent Schaefer, and Dr. Rush recently met with the Summit League Commissioner and staff to learn more about the Board's role in monitoring athletic policy.

Regent Roberts explained that she is involved in hosting Marshall Fellows each year. She said that the recent fellows who came to South Dakota a few weeks previous were treated to a dinner with SDSM&T President Rankin, which really highlighted the School of Mines, and was a feature of their trip. She thanked President Rankin for his time and hospitality.

5-D Report and Actions of Executive Session

Upon convening at 5:30 p.m. on Tuesday, March 27, 2018, the Board dissolved into executive session in order to discuss personnel matters. The Board rose from executive session at 8:00 p.m. The Board reconvened in executive session at 8:00 a.m. on March 28, 2018, in order to discuss personnel matters, pending and prospective litigation, contractual matters, collective bargaining, 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 and administrative actions, pending and prospective litigation, contractual matters, collective bargaining, 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 Thares, 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. Deny SDSU NFE Graduate Assistant Title IX/EEO Grievance No. 2018-01.
2. Approve the multi-year contract for USD's head football coach Bob Nielson at an annualized salary of \$280,000 for the period of June 22, 2018 – June 21, 2021.
3. Approve the multi-year contract for USD women's basketball coach Dawn Plitzuweit at an annualized salary of \$210,000 for the period of June 22, 2018 – June 21, 2021.
4. Approve the leave requests for Darci Bultema (NSU); Marcela Faflak (NSU); David Grettler (NSU); Steven Usitalo (NSU); Larry Stetler (SDSMT); Vincent Allan King (BHSU); Sandra Marker (BHSU); Wei Song (BHSU); Rebecca Kuehl (SDSU); and Steven Wingate (SDSU).
5. Approve the requests to grant tenure to Dr. Debra Anderson (SDSU), Dr. John Killefer (SDSU), and Dr. Melinda Tinkle (SDSU).
6. Award an honorary posthumous Bachelor of Science in Economics to Mr. Shawn McClelland (SDSU).
7. Award an honorary Doctorate of Public Service to Marcella LeBeau (SDSU), John Porter (SDSU), Regent Emeritus Harvey C. Jewett IV (USD), and to President James W. Abbott (USD).
8. Approve the request for a one (1) year extension of time for tenure consideration each for Julie Yingling (SDSU) and Wendy Huss (USD).
9. Approve awarding one (1) year of prior service credit toward tenure and one (1) year of prior service credit toward promotion for Dr. Insu Park (DSU); one (1) year of prior service credit toward tenure and one (1) year of prior service credit toward promotion for Dr. Timothy Campbell (USD); and two (2) years of prior service credit toward tenure and two (2) years of prior service credit toward promotion for Dr. John LaCognata (USD).
10. Accept the System Scholarship Committee's recommended recipients and alternates for the 2018-19 Fowler, Bjugstad, and Scarborough scholarships. Award the 2018-2019 Annis Irene Fowler/Kaden Scholarship to Grace Dellman and Malley Moore (First Alternate: Joni Waliezer, Second Alternate: Baylee Enander); award the 2018-2019 Ardell Bjugstad Scholarship to Morgan Reber; and award the 2018-19 Marlin R. Scarborough Memorial Scholarship to Bailey Moody (First Alternate: Jacey Merkle).
11. Accept the resignation of Mark Johnston from the position of DSU vice president for institutional advancement/marketing and communications effective February 21, 2018; accept the appointment of Bob Preloger as the interim vice president for institutional advancement/marketing and communications effective March 12, 2018 at a 60% appointment and salary of \$88,200; and accept the title change and salary increase for Laura McNaughton from USD president's assistant to USD chief of staff at an annualized salary of \$80,000 effective November 22, 2017.
12. 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, explained that the 2018 legislative session recently concluded and a report will be provided later in the agenda detailing specifics of the session. He also recognized SDSU and USD for competing in the Summit League Conference Basketball Tournament as well as NSU for finishing second in the NCAA Division II Men's Basketball Tournament.

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

5-F BHSU Foundation Report

Steve Meeker, BHSU Vice President for University Advancement, provided information about the BHSU Foundation and its recent activities.

A copy of the BHSU Foundation Report can be found on pages ____ to ____ of the official minutes.

5-G BOR Policy 1:7:5 – Civil Service Advisory Council Revisions (Second Reading)

Kayla Bastian, System Director of Human Resources, explained that BOR Policy 1:7:5 establishes the Regental Civil Service Advisory Council (RCSAC), which is comprised of representatives from each institution within the regental system. This policy requires that the Executive Director's delegate provide a report to the Board following each semi-annual meeting. However, because RCSAC does not recommend policy changes or take other actions that require BOR approval, it is proposed to remove the semi-annual report requirement from BOR Policy 1:7:5. The RCSAC members are supportive of the policy changes. She said the first reading of BOR Policy 1:7:5 occurred at the December 2017 BOR meeting, and no changes have been added since the first reading.

IT WAS MOVED by Regent Bastian, seconded by Regent Schaefer, to approve the second and final reading of BOR Policy 1:7:5 – Regental Civil Service Advisory Council. Motion passed.

A copy of the BOR Policy 1:7:5 – Civil Service Advisory Council Revisions (Second Reading) can be found on pages ____ to ____ of the official minutes.

5-H BOR Policy 1:6 – Appointment, Authority, and Responsibilities of Presidents and Superintendents Revisions (Second Reading)

Kayla Bastian, System Director of Human Resources, noted that amongst the recommended changes to the policy, the substantive changes are: 1) removal of the prohibition on tenure for university presidents, allowing the Board the flexibility to negotiate tenure terms in presidential appointment contracts without being required to waive this provision of BOR Policy 1.6; 2) removal of the reference to annual renewals to ensure alignment with BOR Policy 4:49; 3) removal of Section 7: due to the changes made in BOR Policy 5:3 in 2013, this is no longer needed; and 4) addition of a definitions section to the policy.

These changes will align BOR policies and ensure that the Board has policies in place that provide the ability to negotiate effectively in a highly competitive labor market.

IT WAS MOVED by Regent Bastian, seconded by Regent Morgan, to approve the second and final reading of BOR Policy 1:6 – Appointment, Authority, and Responsibilities of Presidents and Superintendents. Motion passed.

A copy of the BOR Policy 1:6 – Appointment, Authority, and Responsibilities of Presidents and Superintendents Revisions can be found on pages ____ to ____ of the official minutes.

5-I 2018 Legislative Overview

Dr. Janelle Toman, System Director of Communications, provided an overview of the 2018 legislative session. She noted that 16 of the 17 Board of Regents' pre-filed bills were successful. She recognized the support of the presidents, campuses and students who participated by communicating with legislators, lobbying bills, and testifying in committee. From the Board's perspective, she said many bills were resolved in a favorable manner, but she cautioned that some of these topics may reappear in future years.

A copy of the Legislative Overview 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, introduced the incoming Student Federation Executive Director, Matt Yetter, who was elected the previous evening.

Paige Dexter explained that the Student Federation approved constitutional changes the previous evening to make the Chair position a paid position. In addition, the Federation clarified the duties of both the Executive Director and Chair and approved the following year's budget.

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

4-K SDSU Strategic Realignment Request

<<Moved from Consent Agenda, originally labeled 4-K>>

Dr. Paul Turman, System Vice President of Academic Affairs, introduced Dr. Dennis Hedge, SDSU Provost, who explained that as part of a recent strategic planning effort some institutional changes have been proposed. He described the proposed changes and said, if approved, these would be effective July 1, 2018.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve SDSU's request to reorganize the academic colleges at South Dakota State University. Motion Passed.

A copy of the SDSU Strategic Realignment Request can be found on pages ____ to ____ of the official minutes.

6-B Credit Hours to Degree

Dr. Paul Turman, System Vice President of Academic Affairs, noted that during the October 2011 meeting, the Board approved a set of degree program limits that moved the required number of credit hours from 128 to 120 within the regental system. At the time, the Board sought to reduce the average number of credit hours completed by regental graduates which had held at 144 credit hours for a number of years. Program modifications for all undergraduate majors were approved at the March 2012 meeting, which formalized this requirement. In subsequent years, a Credit Hours to Degree report has been prepared for the Board to track the impact for reducing the total number of credits completed by graduates.

He said data in the report indicate that the average credits hours at graduation has declined from 144.3 in FY12 to 138.6 for the most recent academic year. Transfer students have seen the largest decrease in credit hours declining from 150.3 to 142.9, while non-transfer students have been able to decrease the total credit hours down to 134.5 since this policy decision was advanced by the Board.

He explained that this signifies an average savings of roughly \$2,400 per student, or an overall savings of about 3%. He said this is an affordability effort enacted by the Board and noted that this policy change is always one that is highlighted when discussing efficiency efforts with the legislature.

A copy of the Credit Hours to Degree report can be found on pages ____ to ____ of the official minutes.

6-C (1) BOR Policy 1:16 and 5:5:1 Revisions (Second Reading)

Dr. Paul Turman, System Vice President for Academic Affairs, explained that the proposed revisions to BOR Policy 1:16 include updates to the background information on the Western Regional Graduate Program (WRGP) in relation to other interstate tuition agreements in which South Dakota participates. The proposed revisions to BOR Policy 5:5:1 clarify the process by which regental institutions will inform the Board of programs participating in the WRGP. He said no revisions have been made since the first reading in December 2017.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve the second and final reading of the proposed revisions to BOR Policies 1:16 and 5:5:1 as presented. Motion passed, Regent Sutton abstained.

A copy of the BOR Policy 1:16 and 5:5:1 Revisions (Second Reading) can be found on pages ____ to ____ of the official minutes.

6-C (2) BOR Policy 5:17 – Instructional Funding Revisions (Second Reading)

Dr. Paul Turman, System Vice President of Academic Affairs, described revisions to BOR Policy 5:17. He said these revisions expand the section types that are managed under the small section size policy. Doctoral granting institutions have been increased to 4% and the three regional comprehensive institutions have been set at 5%. Campuses would be given until the 2018-19 academic year to move into compliance with the addition of off-campus courses. He said expanding the section size policy to include off-campus course sections will ensure that campuses are working to efficiently manage their curriculum.

He drew the Board's attention to the new section 4.1 of policy that requires additional revisions, asking that it consider the following language for this section to now state the following: All on- and off-campus sections with a "selected" instructional method type that fall below the enrollments referenced for each of the degree types below will be classified as low-enrolled.

He noted that the first reading of the policy revisions was reviewed by the Board at its December 2017 meeting. At that time, no issues or revisions were made by the Board, and the only additional revisions being recommended are the addition of definitions in Section 2 of the current policy and the addition in section 4.1 as mentioned above.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to approve the second and final reading of the proposed revisions to BOR Policy 5:17 Instructional Funding as presented with the additional changes to section 4.1 to add the following language: 4.1. All on- and off-campus sections with a "selected" instructional method type that fall below the enrollments referenced for each of the degree types below will be classified as low-enrolled. Motion passed.

A copy of the BOR Policy 5:17 – Instructional Funding Revisions (Second Reading) can be found on pages ____ to ____ of the official minutes.

6-C (3) BOR Policy 2:16 – Teacher Education Programs Revisions (Second Reading)

Dr. Paul Turman, System Vice President of Academic Affairs, noted that the Board of Education Standards recently approved a new set of administrative rules that provide additional avenues for licensure beyond the certification exams that have been in place since 2005. This flexibility exists for a set of secondary education programs (e.g., music, math, language arts, etc.) but has not been extended to Elementary Education. Having 27 or more hours of completed coursework in a major content area may now be used by students for demonstrating content mastery for the South Dakota Department of Education (SDDOE) licensure/certification. This second option now affords the five teacher education programs the capacity to advance a student for licensure in secondary education programs even if the qualifying scores on the certification are not met.

Because meeting qualifying scores on the Praxis is no longer required to gain licensure from the SDDOE, holding this benchmark for students to student teach in the regental system is no longer warranted. Policy revisions to Section C.7.2 are proposed to provide teacher education programs the option of allowing candidates to student teach if they have met the licensure requirements set forth by the SDDOE. Additionally, Section C.7.3 has been added to maintain that teacher

education programs have the final authority for determining a candidate's preparation to enter the classroom to student teach. No additional changes have been made since the first reading at the December 2017 BOR meeting.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve the second and final reading of the proposed revisions to Policy 2:16 Teacher Education Programs as presented. Motion passed.

A copy of the BOR Policy 2:16 – Teacher Education Programs Revisions (Second Reading) can be found on pages ____ to ____ of the official minutes.

6-D (1) BOR Policy 2:8 and 2:27 Revisions (First Reading)

Dr. Paul Turman, System Vice President of Academic Affairs, stated that the two policies included as attachments (BOR Policy 2:8 – Level and Numbering of and Enrollment in Courses, and BOR Policy 2:27 – Program to Program Articulation Agreements) have been revised to meet the new formatting requirements of the BOR Policy Manual. Both policies also have some minor clerical edits. BOR Policy 2:8 also includes a few clarifying revisions, which were caused by the reformatting of the policy and dividing certain sections in the old format into multiple paragraphs. Also in BOR Policy 2:8, a reference in the purpose of the policy was removed, as it simply instructed campuses to use consistent descriptions on levels and numbering of courses as described in the policies by no later than the Fall of 1997, which was no longer relevant.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve the first and final reading of the proposed revisions to BOR Policies 2:8 and 2:27 as presented. Motion passed with unanimous consent.

A copy of the BOR Policy 2:8 and 2:27 Revisions (First Reading) can be found on pages ____ to ____ of the official minutes.

6-D (2) BOR Policy 2:12 – Distance Education (First Reading)

Dr. Paul Turman, System Vice President of Academic Affairs, said in an attempt to transition the academic affairs policies into the new format, AAC was asked to review potential revisions to BOR Policy 2:12 Distance Education. When this was initially discussed during the January 2018 AAC meeting, the council noted a number of minor corrections that have now been addressed in the most recent revisions (specifically Section 3.3 and 4.3.1). A number of additional revisions have been made to BOR Policy 2:12 to align with current practice, including that the Board approves all off-campus and online programs consistent with the model discussed at the June 2017 Board meeting.

In addition, revisions have been made to reflect the new U.S. Department of Education licensure and certification regulations that will go into effect in July 2018, which were discussed at the October 2017 Board Meeting. These revisions establish that academic programs at each institution are responsible for determining whether a program meets the licensure criteria in other states. AAC agreed that campus personnel in the affected programmatic units would be most qualified to track

down the requirements for licensure, and then be responsible for reporting those to distance and continuing education offices.

The policy has also been revised to meet the new formatting requirements of the BOR Policy Manual and also includes minor clerical edits beyond those referenced above.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve the first reading of the proposed revisions to BOR Policy 2:12 as presented. Motion passed.

A copy of the BOR Policy 2:12 – Distance Education (First Reading) can be found on pages ____ to ____ of the official minutes.

6-D (3) BOR Policy 2:5 – Transfer of Credit Revisions (First Reading)

Dr. Paul Turman, System Vice President of Academic Affairs, explained that throughout the 2015-16 academic year, AAC discussed the need for minor revisions to BOR Policy 2:5 Transfer of Credit, in response to a request from the COPS to adopt a block transfer framework. This approach would allow entering students with an earned Associates degree (AS or AA) to also meet the General Education requirements for the system. Proposed revisions to BOR policy were initially discussed during the October 2015, and a final set of revisions were advanced to the Board of Regents in October 2016 and December 2016 for final approval.

As this discussion unfolded, the primary focus sought to develop pathways for students who had earned an associate's degree. However, since the policy was put into place, a small number of students with an earned Bachelor's degree have sought to return to pursue a second Bachelor's degree program. Unfortunately, under the current policy this block transfer process is not an available option for these students. To address this issue, revisions to this policy are being advanced to extend the block transfer section to also include students who have previously earned a Bachelor's degree. Also, in response to a request from individual Board members, the proposed revisions have been combined into one set of guidelines (rather than separating out associate and bachelor's degree expectations). Additionally, a comprehensive edit of the policy has also been undertaken to eliminate duplication and align definitions throughout.

IT WAS MOVED by Regent Morgan, seconded by Regent Adam, to approve the first reading of the proposed revisions to BOR Policy 2:5 Transfer of Credit as presented. Motion passed.

A copy of the BOR Policy 2:5 – Transfer of Credit Revision (First Reading) can be found on pages ____ to ____ of the official minutes.

6-D (4) BOR Policy 2:10 – Grades and Use of Grade Point Averages Revisions (First Reading)

Dr. Paul Turman, System Vice President of Academic Affairs, explained that at the August 2017 AAC Retreat, an item was brought forward to consider whether High School Dual Credit (HSDC) students with GPAs below 2.0 should be placed on probation when they first enter the system as degree-seeking students. This led to a broader discussion on the impact of academic probation,

especially for those students with a limited number of credit hours within the System. Initially, one low grade has the potential to significantly impact a student's cumulative GPA, and the premise of a graduated scale based on class rank was identified as a potential solution by AAC members. Such an approach would allow for students who have taken fewer credit hours to meet a slightly lower GPA threshold, which would then increase along with their class level. A similar system is in place with the NCAA and a number of institutions in the region.

The version being proposed in BOR Policy 2:10 would require freshmen and sophomores to have a cumulative GPA of 1.8. Juniors and seniors would be required to then retain the current threshold of a 2.0 GPA. In addition, language was added that gives students with prior credit a one-term grace period in which they will not be placed on probation. This would apply to traditional transfer students from outside the system, as well as high school dual credit students. If the students still could not meet the threshold required after one term in the regental system, they would be placed on probation at that time. Other changes to the policy include the new BOR Policy format, and the removal of a reference to BOR Policy 2:28 (which has been repealed).

Dr. Turman explained that with approval of these changes, BOR Policy 2:3 will also require some revision in order to align with revised BOR Policy 2:10.

Recognizing that the label of being on probation could be psychologically defeating, regents acknowledged these revisions as an effort to increase student success. They felt that if the current threshold of 2.0 for juniors and seniors was maintained, they did not see any problem with this change.

IT WAS MOVED by Regent Morgan, seconded by Regent Schaefer, to approve the first reading of the proposed revisions to BOR Policy 2:10 as presented. Motion passed.

A copy of the BOR Policy 2:10 – Grades and Use of Grade Point Averages Revisions (First Reading) can be found on pages ____ to ____ of the official minutes.

6-E Obsolete Course Review

Dr. Paul Turman, System Vice President of Academic Affairs, noted that in December 2017, campuses received an updated set of Obsolete Courses and personnel were asked to provide justifications for retaining common and unique courses. Additionally, during the February 2018 AAC meeting, the council discussed a number of options for further refining the list in future years. A set of AAC Obsolete Course Guidelines will be developed this coming year to manage this process going forward. Similar to the Program Productivity Review process, an annual review of obsolete courses across the system serves two functions. First, it allows for a structured approach for cleaning-up course catalogs on each campuses, ensuring that courses included in approved degree programs will be available to students. Second, as new courses are approved, departments are able to better allocate resources to those courses that are most attractive to student interests.

Through this process, a total of 663 obsolete courses have been removed from the system's common course catalog this past February.

A copy of the Obsolete Course Review can be found on pages ____ to ____ of the official minutes.

6-F General Education Revisions

Dr. Paul Turman, System Vice President of Academic Affairs, noted that as the process unfolded for the General Education Redesign, new requests for General Education courses had been placed on hold, and per Board policy, only come forward to the Board once each year for consideration. Over the past two years, eight new course requests have surfaced from BHSU and USD for new General Education courses. At their February 2017 meeting, the General Education Committee discussed the eight new courses and recommended that six be added to the current slate of courses offered in the system. This recommendation was further supported by AAC.

One goal for the Board has been to maintain a limited set of General Education courses for the system. During the past four years, a total of eight courses have been removed through the approved matrix (function of the obsolete course review process). Therefore, the addition of these six courses does not unnecessarily expand the slate of courses from which students select. Approval would allow students to select one of these courses to meet the General Education goals beginning in Fall 2018.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve adding the six new courses to the system General Education goals as presented beginning Fall 2018. Motion passed.

A copy of the General Education Revision can be found on pages ____ to ____ of the official minutes.

6-G Dual Credit In-District Program Approvals

Dr. Paul Turman, System Vice President of Academic Affairs, said that since the various discussions in 2017 with the Board, representatives from the University Center-Sioux Falls have been working to develop an MOU with the Harrisburg School District for In-District Delivery of High School Dual Credit (HSDC) coursework. A current draft of the MOU is presented for approval by the Board. The University Center-Sioux Falls would also like to request approval to offer SOC 100 – Introduction to Sociology and PHIL 220 – Philosophy in Harrisburg this coming academic year. In addition, Dakota State University is requesting to offer a CSC 150 – Computer Science I and CSC 250 – Computer Science II at Harrisburg in Fall 2018 to further expand the slate of course offerings at that location. As outlined in the AAC Dual/Concurrent Credit Administration Guidelines, both the MOU with the district and any additional course expansion must be approved by the Board.

Regent Roberts asked whether there is a standard contract form or whether each school district is negotiating their own agreements. Dr. Turman explained that this is the first MOU put in place to align with Board standards. He anticipates that this agreement would be used in the future as the template if other districts would like to partner similarly. He noted that if the dual credit programming would go away, the system would not be beholden to the agreement.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to approve the MOU between the University Center-Sioux Falls and the Harrisburg School District, and the expansion of the two computer science courses to be offered for the first time in Fall 2018. Motion passed.

A copy of the Dual Credit In-District Program Approvals can be found on pages ____ to ____ of the official minutes.

6-H (1) New Program Requests – NSU – BFA in Studio Art

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, stated that Northern State University (NSU) is requesting authorization to offer the Bachelor of Fine Arts (BFA) in Studio Art. NSU currently offers a Bachelor of Arts (BA) in Art; the BFA would be a new degree to the university. NSU received approval for the intent to plan at the October 2016 Board meeting. The proposed program does not require the creation of any new courses as the program is a redesign of the existing BA in Art.

The BFA in Studio Art will allow students to explore a depth of artistic endeavors as well as a breadth of historical and theoretical approaches to the discipline. NSU reports that employment in art occupations will increase by 4% nationally through 2024. Art careers for which BFA graduates would be eligible include but are not limited to designers, art directors, arts managers, independent artists, and museum curators. NSU will pursue NASAD accreditation for the BFA and development of the program following NASAD standards. The existing BA in Studio Art will terminate upon NASAD accreditation of the BFA.

IT WAS MOVED by Regent Morgan, seconded by Regent Schaefer, to approve NSU's new program proposal for a Bachelor of Fine Arts (BFA) in Studio Art as described in Attachment I. Motion passed.

A copy of the New Program Request – NSU – BFA in Studio Art can be found on pages ____ to ____ of the official minutes.

6-H (2) New Program Requests – NSU – BA in Criminal Justice

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, stated that Northern State University (NSU) is requesting authorization to offer a Bachelor of Arts (BA) in Criminal Justice. NSU currently offers a specialization in Criminal Justice within the Sociology major; NSU indicates a full major will better prepare students for careers in criminal justice and related professions. NSU reports that South Dakota law enforcement and criminal justice agencies increasingly seek applicants with college degrees for new openings and promotions. NSU received approval for the intent to plan at the December 2017 Board meeting. The proposed program requires the creation of five new courses. NSU requests authorization to offer the major on campus.

IT WAS MOVED by Regent Morgan, seconded by Regent Thares, to approve NSU's new program proposal for a Bachelor of Arts (BA) in Criminal Justice as described in Attachment I. Motion passed.

A copy of the New Program Request – NSU – BA in Criminal Justice can be found on pages ____ to ____ of the official minutes.

6-H (3) New Program Requests – USD – MS in Business Analytics

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, stated that the University of South Dakota (USD) is requesting authorization to offer a Master of Science (MS) in Business Analytics. The purpose of the program is to prepare graduates to implement data science solutions to business problems by using applied mathematics, statistics, computer science, and computing technology. USD notes that management analyst and market research analyst positions are expected to grow between 8% and 20% in South Dakota through 2024, and over 25 businesses in the I-29 corridor have expressed support for the program.

USD requests authorization to offer the program on campus. The Executive Director waived Board approval of the intent to plan. Per Board Policy 2:1, the Board engaged an external consultant with expertise in the academic discipline to review the proposal. The consultant, Dr. Dursun Delen of Oklahoma State, conducted a site visit, interviewed faculty and staff, and issued a report of his findings. USD reviewed the consultant's report and issued a response, including acknowledging program changes based on the consultant's recommendations.

IT WAS MOVED by Regent Morgan, seconded by Regent Adam, to approve USD's new program proposal for a Master of Science (MS) in Business Analytics as described in Attachment I. Motion passed.

A copy of the New Program Request – USD – MS in Business Analytics can be found on pages ____ to ____ of the official minutes.

6-H (4) New Program Requests – USD – MS & PhD in Sustainability

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, stated that the University of South Dakota (USD) requests authority to offer a Master of Science (MS) and Doctor of Philosophy (PhD) in Sustainability. The proposed graduate program builds upon USD's academic and research leadership in sustainability in the state and region. USD is the only regental institution and one of only sixteen schools nationally with an undergraduate degree in Sustainability; USD would be the first such doctoral program in the central United States. USD notes that companies employing full-time sustainability professionals in North America have increased 400% since 2000. The program requires the creation of seven new courses.

The Board approved the intent to plan at the May 2017 meeting. Per BOR Policy 2:1, the Board engaged external consultants with expertise in the academic discipline to review the proposal. The consultants, Dr. Arnim Wiek of Arizona State University and Dr. Jon Jensen of Luther College, conducted a site visit, interviewed faculty and staff, and issued a report of their findings. USD reviewed the consultants' report and issued a response, including acknowledging program changes based on the consultants' recommendations.

In response to a question by Regent Morgan, Dr. Jim Morgan, USD Provost, indicated that in addition to the bachelor's degree in Sustainability there are several other bachelor's degrees that would feed into these master's and PhD programs.

IT WAS MOVED by Regent Morgan, seconded by Regent Adam, to approve USD's new program proposal for a Master of Science (MS) and Doctor of Philosophy (PhD) in Sustainability as described in Attachment I. Motion passed.

A copy of the New Program Request – USD – MS & PhD in Sustainability can be found on pages ____ to ____ of the official minutes.

6-I (1) Intent to Plan Requests – DSU – BS in Cyber Leadership and Intelligence

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, stated Dakota State University (DSU) requests permission to plan a Bachelor of Science (BS) degree in Cyber Leadership and Intelligence. The interdisciplinary program will provide students with knowledge of cyber systems and world cultures, international politics, human behavior, and leadership. Graduates will assist government leaders, corporation executives, states, and localities in developing anticipatory strategies to defend organizations from cyber disruption by various kinds of criminals, non-state actors, or nations. DSU notes the U.S. Department of Labor estimates employment opportunities for Information Security Analysts will grow 10% in South Dakota by 2026, while employment opportunities for Computer and Information Systems Managers will grow by 5.4%.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to authorize DSU to develop a proposal for a Bachelor of Science (BS) in Cyber Leadership and Intelligence as presented. Motion passed.

A copy of the Intent to Plan Requests – DSU – BS in Cyber Leadership and Intelligence can be found on pages ____ to ____ of the official minutes.

6-I (2) Intent to Plan Requests – NSU – BFA in Digital Media

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, stated that Northern State University (NSU) is requesting authority to develop a program proposal for a Bachelor of Fine Arts (BFA) in Digital Media. NSU received approval for intents to plan for BFAs in Studio Art and Art Education at the October 2016 Board meeting. The program would represent a conversion of the existing specialization in Graphic Design within the BA in Art to a standalone major.

The BFA in Digital Media degree program would prepare graduates in highly technical areas of art and design such as commercial photography, video production and editing, web design and programming, 2D animation, illustration, graphic design, and product/packaging design. NSU notes that South Dakota job growth is projected to exceed national job growth through 2024 in occupations such as art designers, graphic designers, multimedia artists/animators, and art directors.

IT WAS MOVED by Regent Morgan, seconded by Regent Thares, to authorize NSU to develop a proposal for a Bachelor of Fine Arts (BFA) in Digital Media as presented. Motion passed.

A copy of the Intent to Plan Requests – NSU – BFA in Digital Media can be found on pages ____ to ____ of the official minutes.

6-I (3) Intent to Plan Requests – USD & SDSMT – BS in Biomedical Engineering

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, stated that the University of South Dakota (USD) and South Dakota School of Mines & Technology (SDSMT) request permission to plan a joint Bachelor of Science (BS) degree in Biomedical Engineering. The program will bridge the medical and engineering disciplines to produce graduates to advance human health and well-being. Biomedical Engineering is an interdisciplinary degree that will provide graduates with job opportunities nationally and in South Dakota; the Governor’s Office of Economic Development identifies bioscience as one of the state’s “key industries.” USD and SDSMT have offered graduate programs in Biomedical Engineering since 2006. USD received approval to offer an AS in Integrated Science at the University Center in Sioux Falls in 2017; the AS was designed to be stackable into the planned BS in Biomedical Engineering. The program will also collaborate with the GEAR Center in Sioux Falls, home to USD’s Department of Biomedical Engineering, and in close proximity to the city’s growing biomedical sector. Board staff noted that Biomedical Engineering involves interdisciplinary approaches as it is neither purely the study of Engineering Sciences nor Medical/Health sciences and approval of the program would not serve as an endorsement for USD to add additional programming related to Engineering or SDSM&T to add medical programming beyond that which is already in their institutional missions.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to authorize USD and SDSMT to develop a proposal for a Bachelor of Science (BS) in Biomedical Engineering as presented. Motion passed.

A copy of the Intent to Plan Requests – USD & SDSMT – BS in Biomedical Engineering can be found on pages ____ to ____ of the official minutes.

6-J Proactive Admissions Update

Molly Hall-Martin, System Director of Student Preparation & Success, explained that during the August 2017 meeting, the Board approved the second reading of the updated admissions policy to provide the policy framework that would allow for the admission of high school students based on their performance on the Smarter Balanced assessment test administered to all South Dakota students at the conclusion of the eleventh grade. Since then, Proactive Admissions letters were mailed to 4,439 students in September with an application deadline of December 1. The December 1 deadline was established as a benchmark to compare application rates to previous years. 2,457 students from South Dakota public high schools submitted online applications to regental institutions prior to December 1, 2017, compared to 2,055 by the same date in 2016. Only students enrolled at public high schools with the appropriate data agreements with the South Dakota

Department of Education were eligible for Proactive Admissions. Students at private or Tribal/BIE high schools did not receive letters.

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

6-K College Application Week Update

Molly Hall-Martin, System Director of Student Preparation & Success, provided an overview of the matriculation data for the South Dakota College Application Week program. Since the Board of Regents began coordinating this program in 2014, the number of participating high schools has grown steadily every year from 9 high schools during the pilot year to 80 schools participating during the 2017 campaign. Participating high schools have consistently seen a number of their students matriculating to regental institutions or other in-state institutions.

She noted that high schools participating since the pilot year of the program have seen significant gains in postsecondary matriculation, increasing from 40.9% prior to implementation to 45% after three years.

Additionally, she said while matriculation rates for students from Tribal or BIE schools continue to be significantly lower than other students, the percentage of students from Tribal or BIE schools enrolling in postsecondary education has increased from 27.1% to 32.5%.

A copy of the College Application Week Update can be found on pages ____ to ____ of the official minutes.

BUDGET AND FINANCE

7-A Building Committee Report

Dr. Monte Kramer, System Vice President of Finance and Administration, stood by for questions on the updated Capital Project List. The Board members had no questions.

A copy of the Building Committee can be found on pages ____ to ____ of the official minutes.

7-B Capital Project List

Dr. Monte Kramer, System Vice President of Finance and Administration, stood by for questions on the updated Capital Project List. The Board members had no questions.

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

7-C FY18 General Bill Amendments

Leah Ahartz, System Budget Manager, explained the one-time adjustments made to the Board of Regents' FY18 budget as outlined in the amendments to HB1044. In summary, general funds for

utilities were increased by \$264,764 and funding for REED technology was reduced by \$370,656. Because Bureau of Information and Technology (BIT) billings were also reduced by \$370,656, the funding for REED resulted in a net zero change.

A copy of the FY18 General Bill Amendments can be found on pages ____ to ____ of the official minutes.

7-D FY19 Budget Summary

Leah Ahartz, System Budget Manager, highlighted some of the changes to the Board of Regents' general fund base. Excluding salary policy, the Board of Regents received an increase to the general fund base of \$2,894,336, which represents a 1.4% increase. The Board received an additional \$1,845,543 to fund the 1.2% employee compensation package for general funded employees. With all the increases, the total additional funding received was \$4,739,879, which represents a 2.3% increase.

A copy of the FY19 Budget Summary can be found on pages ____ to ____ of the official minutes.

7-E 2017-2018 Regional Tuition Survey

Mary Ellen Garrett, System Accounting Director, presented the annual tuition survey of the four-year public institutions in the surrounding states, excluding any reduced tuition programs or agreements between states. She said when comparing South Dakota's average undergraduate resident tuition and mandatory fees cost to the surrounding seven states, South Dakota ranks second highest with only Minnesota's costs being higher. For nonresident undergraduate and graduate students, South Dakota remains the lowest cost for tuition and mandatory fees and for total cost. For graduate resident students, South Dakota's average tuition and mandatory fees rank fourth lowest in the region. In the past ten years, South Dakota has seen an increase of 48.1% in undergraduate resident tuition and mandatory fees. The total cost of undergraduate resident tuition has increased 52.7% in the past ten years.

A copy of the 2017-2018 Regional Tuition Survey can be found on pages ____ to ____ of the official minutes.

7-F Surrounding States' Tuition and Fee Rates and Agreements

Mary Ellen Garrett, System Accounting Director, provided information from a recent study comparing the tuition and fee rates charged by in-state universities compared to that charged at the universities in the surrounding states. Taking into consideration reduced tuition programs offered by the universities in the surrounding states, twelve out-of-state universities have tuition and fee rates less than what a South Dakota student would pay if he/she had chosen to attend a South Dakota university.

Referring to the chart showing lowest cost to South Dakota students, Regent Sutton indicated that some out-of-state institutions have high requirements so that very few South Dakota students

actually qualify. More specifically he referenced Western Undergraduate Exchange (WUE) programs. He recommended that this be examined and detailed in future year's reports.

A copy of the Surrounding States' Tuition and Fee Rates and Agreements can be found on pages ____ to ____ of the official minutes.

7-G FY19 Tuition & Fees Overview

Mary Ellen Garrett, System Accounting Director, provided an overview of the factors taken into consideration when determining tuition and any increase that the Board may approve.

A copy of the FY19 Tuition & Fees Overview can be found on pages ____ to ____ of the official minutes.

7-H FY19 On-Campus Tuition & Mandatory Fees

[ATTENTION: Monday, April 9, 2018. There is an error on Attachment I to BOR agenda 7-H – FY19 On-Campus Tuition and Mandatory Fees, approved during the March 2018 Board meeting. The correct version of the expansion of resident rates to non-resident students was approved in December by the Board. The Board approved Colorado and Montana tuition rates for new freshmen or first-time transfers for BHSU and SDSM&T at the resident rate. However, Colorado and Montana tuition rates for new freshmen or first-time transfers were incorrectly stated for DSU, SDSU, and USD and should not have been approved at the resident rate. The following is a summary of the correction that will be approved in May.

	Rates Approved in Error		Corrected Rates to Be Approved in May		
	Montana	Colorado		Montana	Colorado
DSU	\$243.30	\$243.30	DSU	\$342.40	\$342.40
SDSU	\$248.35	\$248.35	SDSU	\$360.50	\$360.50
USD	\$248.35	\$248.35	USD	\$360.50	\$360.50

This error will be officially corrected at the next regularly scheduled Board meeting, which will take place May 8-10, 2018. No reliance should be placed on the incorrect information contained in Board item 7-H - FY19 On-Campus Tuition and Mandatory Fees.]

Regent Roberts indicated that a revised item 7-H (labeled Option 2) had been distributed. The only change in this version is an Executive Director recommended \$1.00 General Activity Fee (GAF) increase over inflation for Northern State University.

Mary Ellen Garrett, System Accounting Director, presented the proposed FY19 on-campus tuition and mandatory fees. She said that the FY19 proposal for tuition and mandatory fees attempts to keep the cost to students as low as possible in consideration of student access, service to students, and the delivery of the highest quality education possible to our students. The recommended FY19 tuition and fee increases provide necessary funding to cover the salary policy and inflation on the operating budgets. Additional discretionary funds are provided to both SDSU and USD to address higher costs driven by their research missions and the related opportunities provided to students.

Including the \$1.00 GAF increase for NSU, the impact to students within the public university system is an average cost increase to tuition and mandatory fees of \$251.82 per year, or 2.9%.

Dr. Kramer explained that the recommendations are based on conversations with legislators about better managing the cost increases for students. He explained that it is important for people to understand that 52% of the system budget comes from tuition and fees and not state funds. The system has to address inflationary costs. In this proposal, he explained that the only discretionary increases are the \$1.00 GAF for NSU and the \$5 per credit hour for SDSU and USD. Everything else is to pay for salary policy and inflation.

Regent Adam asked whether the Bond and Utility fee for SDSU is a mandatory fee. Dr. Kramer explained the Bond and Utility fee for SDSU is mandatory, but SDSU felt that the fairest way to assess this cost was through GAF. He agreed that it artificially inflates the GAF fee.

Dr. Rush said this on-campus tuition and mandatory fees recommendation reflects the concern of the Board over the last several years to keep costs as low as possible. He commented on the additional recommended GAF increase at NSU and indicated that there are NSU students in the audience who would like to address the Board.

NSU students Kayla Sproles Alysha Martinez, Zackery North, and Tyler Harris expressed their support for the GAF increase at NSU and explained that they originally requested a \$3.05 increase. They described their efforts to get student input on a possible increase. After conducting a student body vote, a majority of students supported an increase of \$3.05.

Recognizing that the NSU students originally requested a GAF increase of \$3.05 rather than \$1.00, regents asked how the difference impacts services. Students described the services that could be implemented with additional funds.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the FY19 On-Campus Tuition and Mandatory Fees as presented in the attachment 7-H option 2.

Regents asked clarifying questions about the reason \$1.00 was recommended over \$3.05. Dr. Rush explained that the recommendation of \$1.00 was a compromise that was not unlike what was done with SDSU and USD when they requested a higher GAF increase in December. Additionally, he said he was being mindful to keep the increase under 3%. With a \$3.00 GAF increase for NSU, the impact to students within the public university system is an average cost increase to tuition and mandatory fees of \$256.13 per year, or 3.0%

AMENDMENT TO THE MOTION: IT WAS MOVED by Regent Bastian, seconded by Regent Thares, to amend the motion to strike \$1.00 and replace with \$3.00 for the NSU GAF increase.

ROLL CALL:

Adam – AYE
Bastian – AYE
Morgan – AYE

Roberts – NAY
Schaefer – ABSENT
Thares – AYE
Wink – AYE
Schieffer – NAY
Sutton – NAY

Motion passed.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the FY19 On-Campus Tuition and Mandatory Fees as presented in the attachment 7-H option 2 as amended.

ROLL CALL:

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

Motion passed.

A copy of the FY19 On-Campus Tuition & Mandatory Fees can be found on pages ____ to ____ of the official minutes.

7-I FY19 System, Discipline, Delivery, and Vehicle Registration Fees

Mary Ellen Garrett, System Accounting Director, reviewed the system fees, discipline fees, delivery fees, and vehicle registration fees. She said the recommended increase in fees as outlined in the item is sufficient to cover the 1.2% salary policy increase and the 1.8% inflationary increase (CPI per BFM) on operating expenses.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve the FY19 System, Discipline, Delivery, and Vehicle Registration Fees as presented in the attachment.

ROLL CALL:

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

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

Motion passed.

A copy of the FY19 System, Discipline, Delivery and Vehicle Registration Fees can be found on pages ____ to ____ of the official minutes.

7-J FY19 Off-Campus Tuition Rates

Mary Ellen Garrett, System Accounting Director, explained the proposed increase for off-campus tuition is commensurate with the 1.5% increase for on-campus tuition at the comprehensive universities. She said the increase is sufficient to cover salary policy and inflation on operating expenses.

IT WAS MOVED by Regent Roberts, seconded by Regent Schieffer, to approve the FY19 Off-Campus Tuition Rates as presented in the attachment.

ROLL CALL:

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

Motion passed.

A copy of the FY19 Off-Campus Tuition Rates can be found on pages ____ to ____ of the official minutes.

7-K FY19 Housing and Food Service Rates

Mary Ellen Garrett, System Accounting Director, said the proposed housing and food services rates for FY19 allow the universities to address an inflationary increase on operating expenses, to fund the salary increase, to meet M&R needs, and to cover the required debt service.

IT WAS MOVED by Regent Roberts, seconded by Regent Schieffer, to approve the FY19 Housing and Food Service Plan rates as presented in the attachment.

ROLL CALL:

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

Motion passed.

A copy of the FY19 Housing and Food Service Rates can be found on pages ____ to ____ of the official minutes.

7-L FY19 Special Schools Nonresident Tuition

Mary Ellen Garrett, System Accounting Director, said the Bureau of Finance and Management calculated the annual Consumer Price Index (CPI) for the last fiscal year at 1.8%. This inflationary increase is sufficient to cover the salary policy increase and the increase on operating expenses while meeting the needs of the students.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the FY19 nonresident instructional tuition rate to be \$36,433 and the residence cost to be set at \$14,726 for the School for the Blind and Visually Impaired as presented in the item.

ROLL CALL:

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

Motion passed.

A copy of the FY19 Special Schools Nonresident Tuition can be found on pages ____ to ____ of the official minutes.

7-M FY19 Graduate Assistant Stipends

Mary Ellen Garrett, System Accounting Director, reminded the Board that in the past the Board has increased the minimum amount of the graduate assistant stipends by the rate of increase in resident graduate tuition. For BHSU, DSU, and NSU, the recommended FY19 minimum graduate assistant stipend is \$3,758 per semester and \$939 per four-week summer session. For SDSM&T, the recommended FY19 minimum graduate assistant stipend is \$3,907 per semester and \$976 per four-week summer session. For USD, the recommended FY19 minimum graduate stipend is \$3,898 per semester and \$974 per four-week summer session. SDSU currently waives tuition and fees for their graduate assistants and fellows as compensation for their work, therefore, the salary minimum does not apply to SDSU.

IT WAS MOVED by Regent Roberts, seconded by Regent Thares, to approve the FY19 minimum graduate assistant stipends at BHSU, DSU, and NSU for FY19 in the amount of \$3,758 per semester and \$939 per four-week session; SDSM&T FY19 minimum graduate assistant stipends in the amount of \$3,907 per semester and \$976 per four-week session; and USD FY19 minimum graduate assistant stipends in the amount of \$3,898 per semester and \$974 per four-week session. Motion passed.

A copy of the FY19 Graduate Assistant Stipends can be found on pages ____ to ____ of the official minutes.

7-N (1) BOR Policy 5:5:2 – Tuition & Fees: Off-Campus Tuition Revisions (First Reading)

Dr. Monte Kramer, System Vice President of Finance & Administration, explained that proposed revisions to BOR Policy 5:5:2 include a requirement that off-campus revenue from credit hours taken by on-campus students be committed to support on-campus priorities such as salary competitiveness, maintenance and repair, and technology.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the first reading of the recommended changes to BOR Policy 5:5:2 – Tuition and Fees: Off-Campus Tuition. Motion passed.

A copy of the BOR Policy 5:5:2 – Tuition & Fees: Off-Campus Tuition Revisions (First Reading) can be found on pages ____ to ____ of the official minutes.

7-N (2) BOR Policy 5:21 – System Collection Policy Revisions (First Reading)

Dr. Monte Kramer, System Vice President of Finance & Administration, explained that changes to BOR Policy 5:21 include clarification that a hold would be placed on a student's account if the student is no longer enrolled at the university and the balance is less than \$250.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the first reading of the recommended changes to BOR Policy 5:21 – System Collection Policy. Motion passed.

A copy of the BOR Policy 5:21 – System Collection Policy Revisions (First Reading) can be found on pages ____ to ____ of the official minutes.

7-N (3) BOR Policy 5:25 – Auxiliary Revenue System Revisions (First Reading)

Scott Van Den Hemel, System Financial Compliance Director, explained changes incorporated into revisions to BOR Policy 5:25 include moving some of the information previously in the definitions section to the body of policy per the Board's request.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the first reading of the revisions made to BOR Policy 5:25 – Auxiliary Revenue System. Motion passed.

A copy of the BOR Policy 5:25 – Auxiliary Revenue System Revisions (First Reading) can be found on pages ____ to ____ of the official minutes.

7-N (4) BOR Policy 6:3 – Higher Education Facilities Fund Revisions (First and Final Reading)

Dr. Monte Kramer, System Vice President of Finance and Administration, said BOR Policy 6:3 had been updated and approved by the Board at the March-April 2016 BOR meeting. The changes presented now are simply formatting changes.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the first and final reading of the formatting revisions made to BOR Policy 6:3 – Higher Education Facilities Fund. Motion passed with unanimous consent.

A copy of the BOR Policy 6:3 – Higher Education Facilities Fund Revisions (First and Final Reading) can be found on pages ____ to ____ of the official minutes.

7-O Residence Hall Occupancy Report for Fall 2017/Spring 2018

Scott Van Den Hemel, System Financial Compliance Director, presented statistics regarding the residence hall occupancy for the fall 2017 and spring 2018 terms. System-wide, a total of 828 students did not return to the residence halls from the first semester to the second semester, representing a drop of 8.11%. NSU had the best retention rate from fall to spring for the current year.

A copy of the Residence Hall Occupancy Report for Fall 2017/Spring 2018 can be found on pages ____ to ____ of the official minutes.

7-P FY17 CAFR Review

Scott Van Den Hemel, System Financial Compliance Director, advised that the audit performed by the Department of Legislative Audit found no audit findings or mandatory adjustments for the BOR system for FY17. This is the third year in a row that the BOR system has had no audit findings which is a testament to the high quality work performed by campus and BOR staff.

A copy of the FY17 CAFR Report can be found on pages ____ to ____ of the official minutes.

7-Q SDSU Stadium Financials

Dr. Monte Kramer, System Vice President of Finance & Administration, said this is a follow-up to the action the Board took in December 2013 when it approved the financing for the SDSU football stadium, which required that an annual pro forma be provided by SDSU comparing the estimated revenue and expenditures to the actual revenue and expenditures. He explained that the Board action from December 2013 also included a requirement that SDSU set up a debt service auxiliary fund. He said this debt service auxiliary fund has been established and currently contains \$2.6 million, which could cover an entire year of debt service if needed.

He provided additional updates on the original pro forma, explaining that this year's information shows the actual revenues were approximately \$1,000,000 less than the estimated revenues, due in part to the removal of the foundation gift of \$400,000. Ticket sales were also a factor as they were lower than projected. However, concession sales were higher than expected.

He also explained that another requirement of the pro forma was a commitment by SDSU to set aside funds for the 2% maintenance and repair. SDSU plans to request changing the current base number (\$52,000,000) used to calculate the 2% maintenance and repair; the total includes the field and other non-building costs. The Board office has recommended that SDSU set up a separate fund to hold the M&R funds to pay for future M&R expenditures. The impact of lower revenues has reduced the coverage ratio from a projected 1.25 to an actual 1.07 for FY17.

Wes Tschetter, SDSU Vice President of Finance, shared additional updates and projections moving forward. He noted that SDSU would likely return to the Board in May or June to request consideration of future financial models.

In response to a question by Regent Sutton about "demand games", Wes Tschetter explained that they include the game against NDSU and the game scheduled during Hobo Day weekend, commented that the weather was poor for the demand games, which contributed to the reasons SDSU missed its target revenue projections. Wes added that SDSU will improve its marketing of demand games next year to help achieve target revenue projections.

A copy of the SDSU Stadium Financials can be found on pages ____ to ____ of the official minutes.

Campus Community Forum

The Board responded to questions from the campus community.

THURSDAY, MARCH 29, 2018

The Board reconvened at 7:30 a.m.

Breakfast Meeting with Area Legislators

Representative Tim Johns (District 31) met with board members to informally discuss the recent legislative session. Students representing the Black Hills State Presidential Student Ambassadors, the BHSU Students' Association, and the South Dakota Student Federation shared information about their college-going experience and future plans.

After the Board relocated to the Jacket Legacy Room, the agenda was amended by acclamation. The following two items would be added to the agenda: 7-BB BHSU Performance Contracting Preliminary Facility Statement and 7-CC SDSU UC-SF Nursing Space Remodel Preliminary Facility Statement.

7-R DSU Athletics Master Plan

Dr. Monte Kramer, System Vice President of Finance and Administration, explained that DSU's athletic master plan provides an opportunity to make informed decisions about existing facilities and plans for future growth.

DSU President José-Marie Griffiths provided an overview of the proposed master plan and explained that it could occur in multiple phases and, as designed, allows for fundraising and continued use of existing facilities.

In response to a question from Regent Adam, President Griffiths described e-sports programming.

A copy of the DSU Athletics Master Plan can be found on pages ____ to ____ of the official minutes.

7-S NSU Unimproved Real Property Purchase

Dr. Monte Kramer, System Vice President of Finance and Administration, explained NSU's request to approve the purchase of unimproved real estate in Brown County. House Bill 1062 authorized the purchase of 0.86 acres, more or less, of unimproved real property known as Lot 1, Young's Railroad Addition to the City of Aberdeen, for the sum of \$25,000 in other fund expenditure authority from gifts to the BOR for purchase of this property. He said General Counsel has reviewed the proposed structure of the transaction and is of the opinion that it conforms to the legal limitations on the Board's authority.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve NSU's request to purchase 0.86 acres, more or less, of unimproved real property known as Lot 1, Young's Railroad Addition to the City of Aberdeen, Brown County, South Dakota. Donations of \$25,000 will be used for this purchase. Motion passed.

A copy of the NSU Unimproved Real Property Purchase can be found on pages ____ to ____ of the official minutes.

7-T (1) Easement Resolution Sioux Valley-Southwestern Electric Easement Resolution - SDSU

Nathan Lukkes, System Assistant Vice President of Research & Economic Development, said Sioux Valley-Southwestern Electric is seeking to replace and relocate a section of its existing distribution line that runs across a portion of the land occupied by SDSU. The land in question is located in rural Brookings County and is currently used for cattle grazing. The new location of the distribution line does not unnecessarily interfere with SDSU's use of the land.

He explained that SDSU requests that the Board of Regents adopt the Resolution set forth in Attachment I requesting the grant of an easement to Sioux Valley-Southwestern Electric to place, construct, operate, repair, maintain, relocate and replace thereon an electrical transmission and distribution line or system. The foregoing will allow Sioux Valley-Southwestern Electric to relocate its power line on SDSU's grassland property near Volga.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve and adopt the Resolution set forth in Attachment I, requesting the Commissioner of School and Public Lands to proceed with the easement as stated therein. Motion Passed.

A copy of the Easement Resolution Sioux Valley-Southwestern Electric Easement Resolution - SDSU can be found on pages ____ to ____ of the official minutes.

7-T (2) Easement Resolution City of Sioux Falls Easement Resolution – USD Discovery District

Nathan Lukkes, System Assistant Vice President of Research & Economic Development, said 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 the City of Sioux Falls for street/highway right-of-way, water, sanitary and storm sewers, drainage, other utilities or structures associated with the operation and maintenance of the street/highway. The foregoing also acknowledges the City's ability to issue permits to third party utilities operating within the easement area in accordance with its ordinances, which is consistent with the City's current administration of third party utilities within right-of-ways. Any such permit would be subservient to the easement. The foregoing will facilitate the City of Sioux Falls taking responsibility for the operation and maintenance of those portions of W. Nobel Street and N. Frances Avenue shown in Exhibit I to Attachment I, to include the water, sanitary and storm sewers, drainage, other utilities or structures associated with the operation and maintenance of the street.

IT WAS MOVED by Regent Roberts, seconded by Regent Thares, to approve and adopt the Resolution set forth in Attachment I, requesting the Commissioner of School and Public Lands to proceed with the easement as stated therein. Motion Passed.

A copy of the City of Sioux Falls Easement Resolution - USD Discovery District can be found on pages ____ to ____ of the official minutes.

7-U SDSU Pierson Hall HVAC Upgrade Preliminary Facility Statement

Dean Kattelman, SDSU Associate Vice President of Facility Services, explained that SDSU is submitting a Preliminary Facility Statement for the upgrade of the heating, ventilating, and air conditioning systems in Pierson Hall, a traditional dormitory on the SDSU campus.

Dr. Monte Kramer, System Vice President of Finance & Administration, explained that no building committee is needed for this project as SDSU will be requesting the Office of the State Engineer to exempt the project from the capital improvement process. Board action is required in order for the state engineer to consider this exemption.

IT WAS MOVED by Regent Roberts, seconded by Regent Bastian, to approve SDSU's Preliminary Facility Statement for upgrading the Pierson Hall HVAC, at a cost of \$2,578,000 to be funded with M&R dollars and to exempt the project from the Board's Capital Improvements Policy. Motion passed.

A copy of the SDSU Pierson Hall HVAC Upgrade Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

7-V SDSU University Student Union Renovation and Remodeling Preliminary Facility Statement

Dr. Michaela Willis, SDSU Vice President for Student Affairs, explained SDSU's request to approve the Preliminary Facility Statement for partial renovation of the University Student Union. She provided background on the project and explained that the renovation will be taken in several phases. She noted that the cost for this project will be paid through auxiliary system maintenance and repair funds.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve SDSU's Preliminary Facility Statement for renovation of space within the University Student Union to be funded with Auxiliary System maintenance and repair funds. Motion Passed.

A copy of the SDSU University Student Union Renovation and Remodeling Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

7-W SDSU Purchase of Agricultural Real Property in Brookings County

Wes Tschetter, SDSU Vice President for Finance and Business, said SDSU requests authorization to purchase unimproved agricultural real property in Brookings County. The property will be purchased using \$665,000 of research park payout proceeds received in FY17. This purchase was approved by the Legislature in SB49 and signed by the Governor on February 14, 2018. The bill contained an emergency clause which makes it effective when signed.

The site comprising 73.11 acres, more or less, of unimproved agricultural real property described as: the West Half of the Southeastern Quarter of Section 4, Township 110 North, Range 50 West,

in Brookings County South Dakota, EXCLUDING therefrom the West 484' of the East 2148' of the South 620'.

The acquisition will be made in accordance with applicable law and BOR Policy 6:2 regarding acquisition of real property. The necessary elements of the acquisition per policy have been fulfilled.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve the purchase of 73.11 acres of agricultural real property in Brookings County at a cost not to exceed \$665,000 plus incidental expenses, described as: the West Half of the Southeastern Quarter of Section 4, Township 110 North, Range 50 West, in Brookings County South Dakota, EXCLUDING therefrom the West 484' of the East 2148' of the South 620'. Motion passed.

A copy of the SDSU Purchase of Agricultural Real Property in Brookings County can be found on pages ____ to ____ of the official minutes.

7-X USD North Commons Renovation Facility Design Plan

Roberta Ambur, USD Vice President of Administration and Technology, reviewed USD's Facility Design Plan to renovate the North Commons at an estimated cost of \$2,293,081 to be funded with Higher Education Facilities Fund (HEFF) M&R proceeds. It was noted that there have been no major changes to the design or costs from what was included in the Facility Program Plan approved by the Board at the June 2017 meeting.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the USD's Facility Design Plan to renovate the North Commons at an estimated cost of \$2,923,081 to be funded with HEFF M&R proceeds. Motion passed.

A copy of the USD North Commons Renovation Facility Design Plan can be found on pages ____ to ____ of the official minutes.

7-Y FY2017 SDSM&T NCAA Agreed-Upon Procedures Report

Shelly Anderson, System Internal Auditor, explained that NCAA Division II Bylaw 6.2.3. states that "At least once every three years, all expenses and revenues for or on behalf of a Division II member institution's intercollegiate athletics programs, including those by any affiliated or outside organization, agency or group of individuals (two or more), shall be subject to agreed-on procedures approved by the Division II membership... conducted for the institution by a qualified independent accountant who is not a staff member of the institution and who is selected either by the institution's president or chancellor or by an institutional administrator from outside the athletics department designated by the president or chancellor." She said the report provided fulfills the FY17 reporting requirement for SDSM&T and has been approved by the SDSM&T President.

A copy of the FY2017 SDSM&T NCAA Agreed-Upon Procedures Report can be found on pages ____ to ____ of the official minutes.

7-Z Maintenance and Repair Working Group Report

Regent Pam Roberts introduced the item by explaining that the maintenance and repair working group was appointed by President Sutton at the December 2017 BOR meeting. She recognized the staff and working group members for their time spent on this topic.

Dr. Monte Kramer, System Vice President of Finance and Administration, explained that the working group met twice to review a number of proposals and recommendations for consideration offered by the Business Affairs Council.

He walked the Board through the issues and recommendations considered by the work group. These included the following:

(1) Develop our own goal relative to the State's contribution to maintenance and repair and meet with future administration leadership to start a dialogue on what is reasonable and can be supported;

- Regent Schieffer reinforced the fact that a dialog needs to happen with the incoming administration, including both the Governor's office and legislative leadership. He said in order to have this dialog the Board needs better information including comparative data from other states. He said this is an incredibly important issue and considerable staff resources should be dedicated to it in order to understand how other states are doing this. The numbers behind this need to inform this serious policy discussion.
- Regent Thares said asking the state to pay for half of the maintenance and repair expenses is not unreasonable when 95% of these state buildings over the last 20 years, representing an investment of \$1 billion, were paid by private sources.
- Regent Roberts said she does not think the Board has done a good job of sharing its story with the legislature on how it funds buildings and maintenance and repair.
- Regent Sutton said the most important thing is that up to this point the Board has accepted the Higher Education Facilities Fund (HEFF) fund as the planned source of funds to pay for maintenance and repair costs. This is no longer viable and sustainable. The Board has an obligation to find a sustainable solution for maintaining these buildings. Additionally, he said this is only the start of the maintenance and repair discussion as he expects this topic will appear on the May, June, August, and maybe even October Board agendas. He said the Board is just starting to get a better grasp on the issue.
- There was a consensus of the Board that the deeper dive into comparative data suggested by Regent Schieffer was necessary and supported.

(2) For any building not yet approved, require that the institutions identify and implement a maintenance and repair funding plan as well as a facility operating budget and funding plan as part of any new building not funded entirely with HEFF;

- Regent Sutton said he likes having a plan, but he recognizes the difficulty for the state to commit to paying maintenance and repair expenses for any project the Board approves. In response, Dr. Kramer said the Board needs to be more transparent in its legislation about the expectation for maintenance and repair. Therefore, he suggests that when a new project comes before the legislature, the Board should identify the commitment needed by the state. At that point, the legislature will have to decide if it is willing to make the commitment. That said, he recognized that this is a risk, especially when we already have donor dollars in hand. This requires a very thoughtful approach and a true partnership with the state.
- Dr. Kramer said the Board should think more about taking older buildings offline to allow maintenance and repair funding to be available to be moved around to other buildings. He said this session was the first time legislators discussed tearing down buildings before new buildings can be built.
- Regent Schieffer recommended amending the motion to strike “approve” and replace with “built” in order to include buildings that are in the pipeline.
- Regent Sutton said he did not disagree with the premise of Regent Schieffer’s suggestion, but had concerns that buildings approved but not yet built, such as MadLabs, could be delayed by the suggested amendment. Regent Schieffer clarified his intention that this suggested amendment would simply require a plan before these projects were built. It is not intended to hold up the projects.
- Regent Roberts proposed that the motion as recommended on the agenda item will be made as proposed by the work group, but if Regent Schieffer would like to amend it and call for discussion from the presidents and others, that would be appropriate.
- Regent Bastian said the Board needs to understand the maintenance and repair commitment for the buildings approved. Dr. Kramer indicated that the total project costs are roughly \$162 million, and the total maintenance and repair impact is \$2.6 million annually.
- Regent Thares said it is also important to understand when the 2% for new buildings should be factored into the calculations, considering a new building will not need to use these funds for several years. In response, Regent Sutton said the system is so far behind on maintenance and repair funds already that they might not be able to defer adding those into the calculations immediately.

(3) After the completion of the 2012 Ten-Year Plan and as lease obligations are satisfied, return the dollars to the universities in-line with how they are generated. Allow the universities to use the dollars to meet their 2% requirement or invest in replacement facilities as long as it does not negatively impact the 2% goal. All replacement or new facilities must be approved by the Board along with a maintenance and repair funding plan;

- Dr. Kramer explained that some campuses want to have more control, whereas others like the current arrangement because it is the known commodity. He said this decision is hard

to implement because some facilities are not owned by the campuses nor are they paid for but they have to be paid for by someone (e.g., UC-SF and UC-RC). He said campuses whose revenues are decreasing and therefore are getting a disproportionate amount from HEFF will not support the recommendation. He explained three possible approaches: (1) give all money back to campuses and let them handle it, (2) use a modified plan that returns more of the money to campuses but keeps some to pay for centers, or (3) use the status quo. He said in the long run, the proposed plan will allow campuses to keep more of their money.

(4) Capture the local and private investments into maintenance and repair and include them in the amounts spent in meeting the 2% goal. When the project is a major renovation project, recognize the investment over a period not to exceed five years;

- Dr. Kramer provided an example. He said USD is making an investment of \$6.4 million into Dakota Dome for renovation, but this investment is not currently being captured in the maintenance and repair investment by the campus.

(5) Revisit the methodology used to determine the replacement values with the State, specifically with the Bureau of Finance and Management, and determine if there are other options for calculating the values used for the 2% calculation; and

- Regent Schieffer questioned capital investment versus maintenance and repair investment. He said he disagrees with how this is currently accounted for as many of the work items are gutting and replacing what is there, rather than just repairing what is existing. In response, Dr. Kramer said anything done to a building today, without expansion, is considered maintenance and repair as defined by the state. It is not handled any differently at the Capitol Building or other state facilities.
- Regent Schieffer said that by lumping all these things into maintenance and repair we are increasing our future maintenance and repair obligation. He explained that this is a fine starting point, but if the Board does not address these issues in its planning, it is creating opportunities for others to dissent and then the work loses credibility.
- Regent Sutton reinforced the fact that the Board does not classify maintenance and repair any differently than how other state entities do. Further, he asked Dr. Kramer to confirm that maintenance and repair improvements do not get picked up in replacement values. Dr. Kramer said that insurance values are considered replacement values and this does not include maintenance and repair upgrades.

(6) Add revenues as a third component of the current allocation formula (Revenues/Replacement Values/GSF) starting in FY20. This will start returning dollars to the institutions generating the dollars as well as recognize utilization. This aligns with the long-term goal of putting the universities in charge of decisions related to maintenance and repair and new facilities (Issue 3).

Once recommendations and issues were overviewed, Regent Roberts said that this is a work in process and would appreciate the Board's future participation.

Regent Wink said this is one of the most important and most difficult issues before the Board this year and thanked the work group members for their dedication to the issue.

As a comment on Regent Schieffer's proposed amendment, Regent Adam express his belief that the \$162 million dollars of current projects should be captured in the motion.

Regent Thares responded by saying that to incorporate the projects that are already approved is unfair and problematic.

Regent Schieffer agreed with Regent Thares. He then asked for clarification on the recommended motion, in particular about the meaning of the word "implementation." Dr. Kramer said that "implementation" means following through with the agreed upon plan.

Regent Schieffer said that at the least he would like a detailed plan for the buildings that have been approved that identifies how to address their maintenance and repair obligation.

Further discussion ensued about how to handle the recently approved but not yet built projects. Regent Sutton said the Board could leave the current motion as is but also ask to see what a plan would be for the \$162 million in order to understand the possible options for handling maintenance and repair.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve the recommendations of the working group as follows: (1) Develop our own goal relative to the State's contribution to maintenance and repair and meet with future administration leadership to start a dialogue on what is reasonable and can be supported; (2) For any building not yet approved, require that the institutions identify and implement a maintenance and repair funding plan as well as a facility operating budget and funding plan as part of any new building not funded entirely with HEFF; (3) After the completion of the 2012 Ten-Year Plan and as lease obligations are satisfied, return the dollars to the universities in-line with how they are generated. Allow the universities to use the dollars to meet their 2% requirement or invest in replacement facilities as long as it does not negatively impact the 2% goal. All replacement or new facilities must be approved by the Board along with a maintenance and repair funding plan; (4) Capture the local and private investments into maintenance and repair and include them in the amounts spent in meeting the 2% goal. When the project is a major renovation project, recognize the investment over a period not to exceed five years; (5) Revisit the methodology used to determine the replacement values with the State, specifically with the Bureau of Finance and Management, and determine if there are other options for calculating the values used for the 2% calculation; and (6) Add revenues as a third component of the current allocation formula (Revenues/Replacement Values/GSF) starting in FY20. This will start returning dollars to the institutions generating the dollars as well as recognize utilization. This aligns with the long-term goal of putting the universities in charge of decisions related to maintenance and repair and new facilities (Issue 3). Motion Passed.

Dr. Rush said one component of the committee discussion that has not been addressed is the plan for the new buildings that have recently been built.

Regent Schieffer agreed and explained that he felt newly built plans should be considered, although he was in the minority when it was discussed with the work group. That said, he explained that he is comfortable starting with the recently approved buildings.

Regent Sutton reinforced the importance of addressing the maintenance and repair expenses in a new way. He said if the Board continues its traditional method, financial disaster is in the horizon.

The Board discussed Regent Schieffer's motion to address a maintenance and repair plan for recently approved buildings. Regent Schaefer expressed some confusion on what the motion specifically requests of the institutions with approved buildings.

Other regents agreed that the proposed action does not provide clear direction, although there was some agreement that the end goal is to formulate alternative plans on how to deal with maintenance and repair obligations in the future.

Regent Schieffer said this action would prepare the Board to implement the next step. He said the Board is looking for the plan it should have had in place before it approved these buildings.

Regent Bastian agreed that this is an extremely important issue. He agreed that the Board needs to consider alternate plans but said the motion does not clearly articulate to the institutions what information the Board wants. He recommended that this be given more thought before the directive is made.

Regent Sutton said the working group will continue to meet and suggested that this discussion be referred back to the Board during a future meeting.

Alternately, Regent Adam said supporting this motion would give a broad directive of what the Board is trying to do.

Regent Morgan felt the directive was clear and formal action was not necessary.

Regent Bastian reinforced his belief that defeating the proposed motion does not signal lack of urgency. He said he does not think the Board understands what the motion really is and would like this to be addressed by the working group.

Regent Roberts called the question.

IT WAS MOVED by Regent Schieffer, seconded by Regent Adam, that for any building approved by the Board but not yet built, the Board requires that the institutions develop a detailed maintenance and repair funding plan as well as a facility operating budget and funding plan and a plan for its implementation. Motion Failed.

In summary, Regent Sutton said this issue needs to be addressed by the working group before the May 2018 Board meeting and a report provided at the May Board meeting in Vermillion.

Dr. Rush said he deeply appreciates the Board's attention to this topic. He provided additional perspective by saying that South Dakota has done more with maintenance and repair than any state.

A copy of the Maintenance and Repair Working Group Report can be found on pages ____ to ____ of the official minutes.

7-AA Active Duty Military Distance Rate

Dr. Monte Kramer, System Vice President of Finance and Administration, explained that we currently have an active duty military rate at the Centers of \$250. This is a significant reduction from the current \$335 per undergraduate credit offered at the Centers. At the December 2017 Board meeting, the Board approved a pilot program to be offered by Dakota State University for active duty military taking online courses. The proposed tuition rate of \$250 per credit hour equals the federal tuition assistance benefit for active duty military. The finance vice presidents discussed the \$250 Active Duty Military rate at the January 2018 Business Affairs Council meeting and agreed that our current rate of \$335 per credit in not competitive and that we should adopt an internet rate of \$250 per credit for active duty military across the system.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve a system-wide reduced tuition rate of \$250.00 per credit hour for active duty military taking distance (online) courses effective summer of 2018 term. Motion passed.

A copy of the Active Duty Military Distance Rate can be found on pages ____ to ____ of the official minutes.

7-BB BHSU Performance Contract Preliminary Facility Statement

Dr. Monte Kramer, System Vice President of Finance & Administration, provided rationale for why this item was a late addition. He said the extent of what this item does is acknowledge to the Office of the State Engineer that the Board recognizes this project as a maintenance and repair issue and does not require a building committee.

In response to a question by Regent Adam, Kathy Johnson, BHSU Vice President Finance and Administration, said these projects will provide a payback within 15 years, as required by state law.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve BHSU's Performance Contract Preliminary Facility Statement as presented in Attachment I and authorize the exemption from the capital improvement requirement. Motion Passed.

A copy of the BHSU Performance Contract Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

7-CC SDSU UC-SF Nursing Space Remodel Preliminary Facility Statement

Dr. Monte Kramer, System Vice President of Finance & Administration, again provided rationale for why this item was a late addition. He said the extent of what this item does is acknowledge to the Office of the State Engineer that the Board recognizes this project as a maintenance and repair issue and does not require a building committee.

Dean Kattelmann, SDSU Associate Vice President of Facility Services, said with approval of this item the Board will be giving authority to the institution and the State Engineer's office to interview and hire an architect immediately and without a building committee.

The Board and USD asked questions and received clarification that the only thing this action would do is authorize hiring of an architect.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve SDSU's Preliminary Facility Statement for the UC-SF Nursing Space Remodel to be funded with M&R dollars and to exempt the project from the Board's Capital Improvements Policy. Motion Passed.

A copy of the SDSU UC-SF Nursing Space Remodel Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

Regent Sutton asked that in the future if there are going to be additional items added to the agenda, especially at the end, there needs to be a process by which the Board votes on whether to add these additional items.

ADJOURNMENT

IT WAS MOVED by Regent Adam, seconded by Regent Schieffer, to adjourn the meeting. Motion passed.

Meeting adjourned at 11:40 a.m.

**BOARD OF REGENTS
MINUTES OF THE MEETING
Board of Regents Central Office (Teleconference)
Pierre, South Dakota
April 20, 2018**

The South Dakota Board of Regents convened by teleconference at 9 a.m. Central Time on April 20, 2018 with the following members in attendance:

ROLL CALL:

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

*Regent Schieffer joined later during executive session.

Also present were Mike Rush, Executive Director and CEO, and members of the system office.

Regent Sutton called the public meeting of the Board of Regents to order at 9 a.m. and declared a quorum present.

IT WAS MOVED by Regent Bastian, seconded by Regent Wink, to dissolve into Executive Session at 9:00 a.m. on Friday, April 20, 2018, to discuss personnel matters, pending and prospective litigation, and to consult with legal counsel; that it rise from executive session at 10:00 a.m. and adjourn; all as shown on the published agenda for the meeting.

ROLL CALL:

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

Motion Passed.

The Board dissolved into executive session.

**BOARD OF REGENTS
MINUTES OF THE MEETING
April 24-25, 2018**

The Board of Regents convened at 9:30 a.m. on April 24, 2018, in the Muenster University Center at the University of South Dakota in Vermillion, 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
Joan Wink, Regent

Regent Jim Thares was absent.

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 Morgan, to dissolve into Executive Session at 9:30 a.m. on Tuesday, April 24, 2018, and at 8:00 a.m. on Wednesday, April 25, 2018, in order to discuss personnel matters, all as shown on the published agenda for the meeting; that it rise from executive session at 6:00 p.m. on Wednesday, April 25, 2018, and that it adjourn. Motion passed.

The Board dissolved into executive session.

**BOARD OF REGENTS
MINUTES OF THE MEETING**

**University of South Dakota
Sanford Coyotes Sports Center
Vermillion, South Dakota
May 1, 2018**

The Board of Regents convened at the University of South Dakota (USD) in Vermillion, South Dakota, and via teleconference at 3:30 p.m. on May 1, 2018.

ROLL CALL:

Adam – PRESENT
Bastian – PRESENT (via teleconference)
Morgan – PRESENT (via teleconference)
Roberts – PRESENT (via teleconference)
Schaefer – PRESENT
Thares – PRESENT (via teleconference)
Wink – PRESENT (via teleconference)
Schieffer – PRESENT
Sutton – ABSENT

Also present during all or part of the meeting were Mike Rush, Executive Director and CEO; and members of USD and the Vermillion community.

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

Regent Schaefer announced that the Board dissolved into Executive Session at 9:30 a.m. on Tuesday, April 24, 2018, and at Wednesday, 8:00 a.m. on April 25, 2018 to discuss personnel matters; and that it adjourned at 6:00 p.m. on Wednesday, April 25, 2018. He 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 Schaefer, seconded by Regent Schieffer, that the Board approve directions given to the executive director with respect to matters discussed in executive session, and that it defer until the completion of further remarks at this meeting approval of the appointment of a successor to James Abbott as President of the University of South Dakota; 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 – ABSENT

Motion passed.

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

- Kevin Schieffer, Chair
- Pam Roberts
- Joan Wink
- Bob Sutton, Board President, Ex-officio

He additionally introduced and thanked the Campus Search Committee:

- **Scott Pohlson**, Administration Representative
- **Allen Madison**, Faculty Representative
- **Beth Boyd**, Faculty Representative
- **Jewel Goodman Shepherd**, Faculty Representative
- **Josh Anderson**, Student Representative
- **Taylor Gubbrud**, Student Representative
- **Cheryl Tiaht**, Non-Faculty Exempt Staff Representative
- **Binnie Goodwin**, Civil Service Staff Representative
- **Torrey Sundall**, Alumni Representative
- **Ryan Taylor**, USD Foundation Representative
- **Nate Welch**, Community Representative
- **Kevin Doyle**, At-Large Representative
- **José-Marie Griffiths**, Representing the Board of Regents' Council of Presidents and Superintendents, President of Dakota State University

Regent Adam 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. He gave them a special thank you for their dedication and commitment.

Regent Adam also 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.

He said this effort has also served to remind the Board of the extremely valuable role that the University of South Dakota plays in the development of the region's economy and its people.

Regent Adam asked for a motion from the presidential search committee for the appointment of the new president of the University of South Dakota.

Regent Schieffer 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 Sheila Gestring as President of the University of South Dakota.

Regent Schieffer introduced Sheila Gestring to the campus community and shared her biographical information. He explained that Sheila Gestring is currently vice president of finance and chief financial officer at the University of South Dakota. As chief financial officer since 2010 and on the USD finance staff since 2006, Gestring has stabilized the university's financial position, developed innovative financing plans for new facilities, and worked with the USD Foundation to set major fund-raising goals and priorities for the university. A record-setting donor campaign surpassed its goal of \$250 million several months early. Prior to coming to USD, Gestring was chief financial officer at Flathead Valley Community College in Montana and worked in increasingly responsible finance positions for South Dakota state government. She has a M.B.A. from the University of South Dakota and a bachelor's degree in accounting and business administration from the University of Sioux Falls. Sheila's incredible knowledge of the institution as well as her commitment and passion for the future success of the University of South Dakota is clear. She is joined today by her husband, Keith, and sons Dillon and Wyatt.

IT WAS MOVED by Regent Schieffer, seconded by Regent Schaefer, that Sheila Gestring be appointed President of the University of South Dakota effective June 22, 2018.

ROLL CALL VOTE:

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

Motion passed.

Regent Adam invited Sheila Gestring to make brief remarks.

Sheila made remarks regarding her enthusiasm for the role of President of the University of South Dakota and her vision for its future.

Regent Adam announced that Sheila Gestring and the other regents would be available to the media for interviews following the meeting adjournment. Additionally, he welcomed the audience to a reception held in the arena immediately following the meeting.

ADJOURN

IT WAS MOVED by Regent Schieffer, seconded by Regent Schaefer, to adjourn the meeting of the full board at 4:00 p.m.

ROLL CALL VOTE:

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

Motion passed. Meeting adjourned.

DRAFT