

**BOARD OF REGENTS
MINUTES OF THE MEETING
December 2-4, 2014**

The South Dakota Board of Regents met on December 2-4, 2014 in the Surbeck Center at South Dakota School of Mines & Technology, Rapid City, South Dakota, with the following members present:

Dean Krogman, President
Randy Schaefer, Vice President
Bob Sutton, Secretary
Terry Baloun, Regent
Harvey Jewett, Regent
Kathryn Johnson, Regent
Joe Scharz, Regent
Kevin Schieffer, Regent

Also present during all or part of the meeting were Jack Warner, Executive Director and CEO; James Shekleton, General Counsel; Paul Turman, System Vice President for Academic Affairs; Janelle Toman, Director of Communications; Nathan Lukkes, System Assistant Vice President for Research and Economic Development; Michele Anderson, Internal Auditor; Daniel Palmer, Director of Institutional Research; Barbara Basel, Director of Human Resources; Monte Kramer, System Vice President of Finance and Administration; Claudean Hluchy, Budget Manager; Molly Hall-Martin, Director of Student Preparation & Success; Dave Hansen, Director of Information Technology; Molly Weisgram, Director of Student Affairs and Assistant to the CEO and Board; James Abbott, USD; David Chicoine, SDSU; Marysz Rames, Interim President DSU; Thomas Jackson, BHSU; Marjorie Kaiser, SDSBVI and SDSD; Heather Wilson, SDSM&T; Jess Peterson, SD Student Federation; Rick Melmer, BOR; Loren Paul, SDEA; Gene Bilodeau UC-RC; Richard Sinden, SDSM&T; Kelli Shuman, SDSM&T; Heather Forney, SDSM&T; Steven Malott, SDSM&T; Pat Mahon, SDSM&T; Harrison Costello, SDSM&T; Trevor Jerome, SDSM&T; Samuel Struck, SDSM&T; Jason Ash, SDSM&T; Tom Durkin, SDSM&T; Thomas King, SDSM&T; Andy Detwiler, SDSM&T; Darren Clabo, SDSM&T; Adam French, SDSM&T; Brianne Gerber, SDSM&T; Timothy Connor Nelson, SDSM&T; Jacey Wipf, SDSM&T; Jorel Torres, SDSM&T; Alex Schaefer, SDSM&T; Trisha Gabbert, SDSM&T; Lisa Kunza, SDSM&T; Bill Capehart, SDSM&T; Mike Gunn, SDSM&T; Gina Rossi, SDSM&T; R. Claudia Fiezeliman, SDSM&T; Nan Zheng, SDSM&T; Tyler Jack, SDSM&T; Charles Biberg, SDSM&T; Fran LeFort, SDSM&T; Curtis Card, BHSU; Rod Custer, BHSU; Randy Culver, BHSU; Kathy Johnson, BHSU; Urla Marcus, BHSU; Rosie Sprague, BHSU; Mary Mitchell, BHSU; Lucas Fralick, BHSU; Cody Drolc, BHSU; Lorrin Anderson, BHSU; Nathan Naasz, BHSU; Dietric McConnell, BHSU; Kylie Hall, BHSU; Brittney Lystad, BHSU; Bridget Aeschbacher, BHSU; Brent Hunter, BHSU; J Lynn Miller, BHSU; Elizabeth Williams, BHSU; Corinna Hansen, BHSU; Brittany Thompson, BHSU; Michaela Stroup, BHSU; Morgan Chavez, BHSU; Bailey Sadowsky, BHSU; Chase Vogel, BHSU; Jane Klug, BHSU; Lois Flagstad, BHSU; Roberta Ambur, USD; Sheila Gestring, USD; Jim Moran, USD; Kimberly Grieve, USD; Michael Lawler, USD; Jordan Hanson, USD; Chelsea Gilbertson, USD; Muhammad Ali Suria,

USD; Nicholas Henschel, USD; Jim Gulbranson, USD; Tyler Tordsen, USD; JoEllen Lindner, NSU; Tom Hawley, NSU; Veronica Paulson, NSU; Gregory Fred, NSU; Thomas Hardcastle, NSU; Cody Folden, NSU; Leandra Schleche, NSU; Suzie Buesing, NSU; Joe Britton, NSU; Menno Schukking, NSU; Aaron Mayo, NSU; Jordan Stewart, DSU; Marcus Garstecki, DSU; Stacy Krusemark, DSU; Judy Dittman, DSU; Caleb Finck, SDSU; Nick Reagan, SDSU; Cassan Dennison, SDSU; Olivia Siglin, SDSU; Nicholas Lorang, SDSU; Ben Kamrath, SDSU; Courtland McCronie; SDSU; Doug Wermedal, SDSU; Amanda Blair, SDSU; Laurie Nichols, SDSU; Dean Kattelmann, SDSU; Wesley Tschetter, SDSU; and other students, faculty, and members of the press.

TUESDAY, DECEMBER 2, 2014

The Regents convened in open session at 6:00 p.m. on Tuesday, December 2, 2014, in the Surbeck Center, McKeel Room at South Dakota School of Mines & Technology.

IT WAS MOVED by Regent Sutton, seconded by Regent Schartz that the Board of Regents Convene and Dissolve into Executive Session at 6:00 p.m. on Tuesday, December 2, 2014, in order to discuss personnel matters; that it adjourn at 9:00 p.m. and reconvene in executive session at 8:00 a.m. on Wednesday, December 3, 2014, in order to discuss personnel matters; pending and prospective litigation, contractual matters, and to consult with legal counsel; that it rise from executive session at 1:30 p.m. to resume the regular order of business and to report its deliberations while in executive session. All members voting AYE. The MOTION CARRIED.

WEDNESDAY, DECEMBER 3, 2014

Regent President Dean Krogman called the meeting of the Board of Regents to order at 1:30 p.m. on December 3, 2014, and declared a quorum present. He asked for a moment of silence in memory of Regent Randy Morris who passed away in November.

WELCOME AND PRESENTATION BY SDSM&T PRESIDENT HEATHER WILSON

SDSM&T President Heather Wilson welcomed the audience to South Dakota School of Mines & Technology. She took the opportunity to recognize two long-time faculty members, Dr. David A. Boyles and Dr. Stanley M. Howard, as she presented their professor emeritus status. She also presented a video that highlighted work by SDSM&T students.

APPROVAL OF THE AGENDA

IT WAS MOVED by Regent Schaefer, seconded by Regent Jewett to approve the agenda as published. All members voting AYE. The MOTION CARRIED.

APPROVAL OF THE MINUTES

IT WAS MOVED by Regent Johnson, seconded by Regent Baloun to approve the minutes of the regular meeting on October 7-9, 2014. All members voting AYE. The MOTION CARRIED.

REPORT AND ACTIONS OF EXECUTIVE SESSION

Upon convening at 6:00 p.m. on Tuesday, December 2, 2014, the Board dissolved into executive session in order to discuss personnel matters. As shown on the published agenda, and pursuant to a motion ratifying the purposes stated on the published agenda, it adjourned at 9:00 p.m. and reconvened in executive session at 8:00 a.m. on Wednesday, December 3, 2014, in order to discuss personnel matters; pending and prospective litigation, contractual matters, and to consult with legal counsel, rising from executive session at 1:30 p.m. to report its deliberations in executive session and to resume the regular order of business.

Regent Sutton reported that while in executive session, the Board considered personnel matters, pending and prospective litigation, contractual matters, consulted with legal counsel, and gave directions to its executive director and general counsel concerning these matters.

IT WAS MOVED by Regent Sutton, seconded by Regent Schartz 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. Appoint the General Counsel and Superintendent Kaiser as the Board's bargaining team, together with up to three additional representatives as they may deem appropriate.
2. Award the title of Professor Emeritus of Psychology for Robert S. Burke (SDSU); Professor Emeritus of Economics for Patrick Lyons (SDSU); Professor Emeritus of Mathematics and Computer Science for Dr. Edward Corwin (SDSM&T); title of Professor Emeritus of Physics for Dr. Michael Foygel (SDSM&T); and title of Professor Emeritus of Geological Engineering for Dr. Arden D. Davis (SDSM&T). A copy of the resolutions of recognition can be found on pages ___ to ___ of the official minutes.
3. Approve the modification request for Dr. Boyd Perkins (NSU) for the Spring 2015 semester; and requests for Deborah Mitchell (SDSM&T) for the Fall 2015 semester; and Angeline M. Lavin (USD) for the Spring 2015 semester.
4. Approve awarding two (2) years of prior service credit toward tenure and two (2) years of prior service credit toward promotion for Ashley Podhradsky (DSU).
5. Accept the appointment of Ms. Becky Degen as director of continuous improvement for SDSU with an effective date of January 5, 2015 at an annualized salary of \$95,000.
6. Approve the personnel actions as submitted by the Board office, campuses, and special schools. A copy of the personnel actions can be found on pages ___ to ___ of the official minutes.

All members voting AYE. The MOTION CARRIED.

REPORT OF THE COUNCIL OF PRESIDENTS AND SUPERINTENDENTS

Dr. Warner briefed the Board on the topics taken up at the November 18, meeting of the Council of Presidents and Superintendents.

REPORT OF THE EXECUTIVE DIRECTOR

Dr. Warner reported that the implementation team of the Jump Start grant has met over the last few days, and he recognized its hard work. He also emphasized the report that will be presented at this meeting that proves South Dakota is a net importer of talent.

Dr. Warner referenced the Interim Actions taken by the Executive Director on behalf of the Board of Regents. A copy of the Interim Actions of the Executive Director can be found on pages ___ to ___.

All members voting AYE. The MOTION CARRIED.

STUDENT FEDERATION REPORT

Student Federation Executive Director Jess Peterson explained that the students discussed app development at their meeting the previous evening. She also said that the federation was represented at the Governor's Budget Address on Tuesday, December 2. She indicated that the federation has put together a task force that will examine the recommended budget in the effort to better represent the Regents and the students of South Dakota.

Additionally, she asked the Regents to comment on why classrooms have a regulated minimum of 10 students. Regents Jewett and Sutton gave explanation to the efficiency of the 7:10 rule.

STUDENT ORGANIZATION AWARDS – BHSU & SDSM&T

Dr. Lois Flagstad, Vice President of Student Life, presented the BHSU student organization awards. The Honors Club accepted the award for Academic Excellence. The Honors Club is designed to provide a social aspect to the Honors Program with a heavy emphasis on community service. Lakota Omniciye accepted the award for Community Service. The purpose of Lakota Omniciye is to spread awareness of American Indian cultures on the BHSU campus and the surrounding area. BHSU Student Senate accepted the award for Organizational Leadership. The BHSU Student Senate is charged with representing BHSU students before the President of the University, faculty and campus committees, and the South Dakota Board of Regents in order to build cooperation and unity.

Dr. Pat Mahon, Dean of Students, presented the SDSM&T student organization awards. The Graduate Student Society accepted the award for Academic Excellence. Formed in April 2013, the purpose of the Graduate Student Society (GSS) is to generate a common platform for enhancing the overall academic development of the graduate student experience. The Weather Club accepted the award for Community Service. The purpose of the Weather Club is to improve public awareness of weather issues, organize community service activities, and enhance social and education experiences for students. Students for the Exploration and Development of Space (SEDS) accepted the award for Organizational Leadership. SEDS recently reformed the structure of the club to bring extensive research and experience with aeronautical space and NASA projects.

A copy of the Student Organization Awards – BHSU & SDSM&T can be found on pages ____ to ____.

BOR POLICY 4:24 – REDUCTION IN FORCE

Ms. Barbara Basel explained that the South Dakota Legislature and the Bureau of Human Resources has been in the process of updating several Administrative Rules. These changes were needed after the Legislature repealed Chapter § 3-6A State Career Service and replaced it with § 3-6D State Civil Service in 2012. The changes to the South Dakota Codified Laws and Administrative changes affected BOR 4:24 Reduction in Force. She explained that the revisions to the document align the Regents policy with the State laws and rules.

IT WAS MOVED by Regent Baloun, seconded by Regent Jewett to approve revisions to BOR Policy 4:24. All members voting AYE. The MOTION CARRIED.

A copy of the BOR Policy 4:24 – Reduction in Force can be found on pages ____ to ____ of the official minutes.

INTERSTATE MIGRATION OF COLLEGE FRESHMEN

Dr. Palmer explained that this analysis uses data acquired from the US Department of Education to draw comparisons between two groups: (1) first-time freshmen from other states who enroll in postsecondary institutions in South Dakota and (2) first-time freshmen from South Dakota who enroll in postsecondary institutions in other states.

Dr. Palmer explained that in this exchange of students, some states attract more students than they send away, while others send away more students than they attract. Because the ability to attract and retain college-educated workers may bring lasting economic and social benefits, states typically aspire to be “in the black” with respect to the interstate exchange of college students.

He explained that this analysis suggests that South Dakota has further bolstered its status as a net importer of college students.

A copy of Interstate Migration of College Freshmen can be found on pages ____ to ____ of the official minutes.

PLACEMENT OUTCOMES OF REGENTAL STUDENTS (2014 ANALYSIS)

Dr. Palmer explained that the analysis explores a dataset generated through the combined efforts of three different data providers: Regents Information Systems, the South Dakota Department of Labor and Regulation, and the National Student Clearinghouse. The principal goal of the analysis is to examine the extent to which Regental degree completers are retained in the state of South Dakota after graduation. Results of the analysis indicate that a robust majority of students do remain in the state following the completion of a degree. This finding underscores the economic importance of intensifying efforts to boost graduate production in the state.

He commented on the difficulty of moving the degree attainment percentage in the state because as South Dakota is a net importer of individuals, many of these individuals do not have a degree. So, even though the system produces increasing numbers of graduates, it is difficult to keep up with the increasing population who come to South Dakota without a degree.

A copy of Placement Outcomes of Regental Students (2014 Analysis) can be found on pages ___ to ___ of the official minutes.

SDBOR INTERACTIVE DASHBOARD WEBSITE

Dr. Palmer explained that a suite of interactive dashboards is now available on the SDBOR website. He demonstrated the use of these available dashboards. In response to a question, Dr. Palmer explained that information from these dashboards has been cited by the media and public high schools have given very positive reports about the way in which the information is presented.

A copy of the SDBOR Interactive Dashboard Website can be found on pages ___ to ___ of the official minutes.

2015 BOARD SPONSORED LEGISLATION

Dr. James F. Shekleton gave explanation to the eight bills that were developed for the Board's review and approval to be included as proposed legislation for the 2015 Legislative Session.

IT WAS MOVED by Regent Schaefer, seconded by Regent Schartz to authorize the Executive Director to submit the proposed bills, to prepare additional legislation that may be required, and to make such modifications or, following their introduction, amendments to the bills as may be in his best judgment prudent, provided that such modifications or amendments shall not change the fundamental purpose of the authorized legislation, and, with the approval of the Board President, to submit such additional legislation as may be necessary and proper. All members voting AYE. The MOTION CARRIED.

A copy of the 2015 Board Sponsored Legislation can be found on pages ___ to ___ of the official minutes.

USD RESEARCH PARK – AMENDMENT TO ARTICLES OF INCORPORATION

Dr. Nathan Lukkes explained that the Board of Directors of the University of South Dakota Research Park, Inc. passed a resolution at its October meeting recommending the members amend the articles of incorporation to further clarify the non-profit nature of the corporation. The proposed amendments were recommended by the accounting firm assisting USDRP, Inc. The Board, as the sole member of USDRP, Inc., should consider the recommended amendment to the articles of incorporation of USDRP, Inc. and take action as it deems appropriate.

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to amend the Articles of Incorporation of USDRP, Inc. as set forth in Attachment I to further clarify the non-profit nature of the corporation.

The Board discussed the motion. All members voting AYE. The MOTION CARRIED.

A copy of the USD Research Park – Amendment to Articles of Incorporation be found on pages ___ to ___ of the official minutes.

REPORT FROM THE DIRECTOR OF STUDENT PREPARATION & SUCCESS

Ms. Molly Hall-Martin explained that the Director of Student Preparation and Success position at the South Dakota Board of Regents Central Office was created to increase post-secondary educational access and success for the American Indian population of the state of South Dakota. She explained that she has worked to develop relationships with stakeholders across the state to facilitate the attainment of the position's goals. She gave a brief description of the existing college access programs at work across the state that serve identified populations and explained which of these services are currently offered at Jump Start target schools.

She explained that the support services already on the campuses provide a great source of hope. Although she noted that a large source of frustration is recognizing the immense amount of work guidance counselors have to do at the schools and how they often must act as social workers rather than guidance counselors, which creates the opportunity for students to fall through the cracks.

A copy of the Report from the Director of Student Preparation & Success can be found on pages ___ to ___ of the official minutes.

ENERGY PERFORMANCE CONTRACTING

Dr. Monte Kramer explained that South Dakota codified laws (Chapter 1-33B) provide the opportunity for state entities to enter into energy performance contracts. An energy performance contract provides that a qualified service provider engineer, design, install, maintain, and monitor comprehensive energy and operational efficiency programs with guaranteed energy savings. These savings are then used as the means to finance the projects.

He explained the process that had unfolded during the past two year to explore the employment of Energy Performance Service Contractors in South Dakota. He explained that the BOR and OSE interpretation of the energy performance statute was that we could issue an RFP and select qualified vendors that meet the Energy Performance Contract requirements. That firm could then do an energy grade audit and identify potential projects. The campus would then select the projects they would like to proceed with based on the cost, payback and energy savings potential. The Attorney General's office indicated that it was fine for BOR to pre-qualify vendors, but that all three vendors would get to respond to any RFP for specific energy performance contracts.

The problem with this approach is that the vendors are not willing to conduct a comprehensive energy grade audit with the prospect that they might not win the final bid. The campuses would need to pay for the energy grade audit done by each firm unless the firm was willing to waive the costs.

Dr. Kramer explained that he has inquired about changing the statute to align with current industry practice. The Bureau of Administration and the Bureau of Finance and Management were opposed to changes to the statute. They felt that bidding individual projects the way it is done today is the right way to do it. Unfortunately, this does not assist us in identifying potential energy savings projects which is done through an energy grade audit.

Given this position, he explained that he will notify the three vendors that we do not plan to proceed with performance contracting.

In order to identify potential energy savings projects, a proposal will be sent to the Board requesting the use of HEFF dollars to pay for energy grade audits at the universities. We would likely start with one institution on a volunteer basis or based on energy consumption. This approach will give the Board information about potential energy savings projects that could be completed with HEFF M&R funds. The HEFF dollars would come out of the HEFF pool before the annual allocation.

IT WAS MOVED by Regent Sutton, seconded by Regent Jewett to approve the use of up to \$50,000 of HEFF planning funds to perform energy grade audits. All members voting AYE. The MOTION CARRIED.

A copy of the Energy Performance Contracting can be found on pages ____to ____ of the official minutes.

BOR POLICY 3:15 – SCHOLARSHIPS, GRANTS AND LOANS

Dr. Kramer explained that in December of 2012, a number of fund sources were added to BOR policy 3:15 allowing an expansion of institutional fund sources that could be used for athletic and institutionally funded scholarships. The policy change included a requirement that all institutional fund sources used for athletic and general university scholarships be reported to the Board annually. FY14 was the first full year that the fund sources were in play for awarding scholarships.

In June of this year, SDSU was approved to pilot the economically and scholastically disadvantaged student's scholarship program. The fund sources used for that pilot were student late payment fees and tuition remission. SDSU has requested that these fund sources be added to the allowable fund sources for other scholarships. The proposal was endorsed by COPS with the understanding that adding another fund source did not mean that all of the campuses would be able to fund additional scholarships as the monies may already be committed to operations.

In response to a question, he explained that the amounts available in these funds will vary significantly by the campus. In order to use this money for scholarships, the universities would have to say they do not need the tuition remission fund for operations.

IT WAS MOVED by Regent Schaefer, seconded by Regent Sutton to approve the changes to BOR Policy 3:15 allowing tuition remission and late payment fees to be used for institutionally funded academic and athletic scholarships. All members voting AYE. The MOTION CARRIED.

A copy of BOR Policy 3:15 – Scholarships, Grants and Loans can be found on pages _____to_____ of the official minutes.

TUITION & FEE STRUCTURE PROPOSAL

Dr. Kramer explained that the Tuition Structure Review Committee has been looking for ways to simplify our tuition and fee structure. Almost two years ago the committee suggested rolling USF into tuition to simplify our tuition and fee structure and be a bit more transparent to students and their families. That change would have required a change to the HEFF statute and had several other drawbacks which simply outweighed the benefits of the change. Since the original idea, the creation of the non-resident university support fee (USF), which further complicates our tuition and fee structure, and changes to the federal tuition assistance programs have prompted us to reconsider the idea.

He presented some of the benefits involved in rolling USF into tuition, explained that programs such as federal tuition assistance programs and military tuition assistance only pay tuition and not fees. Further the non-resident USF was implemented when the resident tuition freeze was put into place to get around the Western Undergraduate Exchange (WUE) limitation of 150% of resident tuition for non-residents. Only one other WUE state that we are aware of charges non-residents higher fees than residents.

He further explained that the benefits of combining the university support fee with tuition at this time would improve federal tuition assistance reimbursement for military students by about \$270.00 per course. National Guard members would only benefit slightly, about \$70.00 per course because we are providing their 50% tuition benefit off their fees today to maximize their tuition assistance reimbursement. Under the current scenario, we give the average tuition benefit of \$68.00 off the fee bill and they are reimbursed an average of \$135.95 per tuition credit. Under the proposed scenario, they would get a tuition reduction benefit of \$113.15 and get reimbursed \$113.10. The improved benefit to Guard members would be about \$22.00 per credit or \$66.00 per three-hour course.

Dr. Kramer also touched upon the drawbacks to making this change. However, even with these challenges laid out to the Council of Presidents, they recommended moving forward with the change. They feel that the support of the military personnel and the simplification of the tuition and fee structure outweigh the challenges.

He noted preliminary discussions with the Bureau of Finance and Management and explained that their initial reaction was positive. They felt they could support and help us explain the necessary statute changes to the Legislature.

He explained that he would like the Board to discuss and to give Dr. Warner the authority to continue to explore this option. The Board agreed.

A copy of Tuition & Fee Structure Proposal can be found on pages ____ to ____ of the official minutes.

APPOINTMENT OF DSU PRESIDENTIAL SEARCH COMMITTEE

Along with Terry Baloun, Chair; Randy Schaefer; Harvey Jewett; Bob Sutton; and NSU President James Smith, Dakota State University campus and Madison community representatives will comprise the presidential search committee developed to aid in the selection of the next DSU president.

IT WAS MOVED by Regent Schaefer, seconded by Regent Baloun to accept the slate of individuals for the DSU Presidential Search Committee, which include the following:

Faculty (2) – Ashley Podhradsky, Barbara Szczerbinska
Students (2) – Casy Bethke, Jared Mills
Administrator – Stacy Krusemark
Exempt – Marie Lohsandt
CSA – Heather Beaner
Alumni – Michael Halverson
DSU Foundation – Miles Beacom
Community – Julie Gross

All members voting AYE. The MOTION CARRIED.

A copy of Appointment of DSU Presidential Search Committee can be found on pages ____ to ____ of the official minutes.

THURSDAY, DECEMBER 4, 2014

Regent President Krogman called the meeting of the Board to order at 9:00 a.m.

REPORT AND ACTIONS OF THE COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS

Regent Johnson presented the report and actions of the Committee on Academic and Student Affairs as follows:

INFORMATIONAL ITEMS

I-A Institutional Items of Information

The Committee received Institutional Items of Information submitted by Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines & Technology, South Dakota State University, University of South Dakota, South Dakota School for the Blind and Visually Impaired, and South Dakota School for the Deaf. No action required. A copy of the Institutional Items of Information can be found on pages ___ to ___ of the official minutes.

I-B Program Review Report – SDSM&T

South Dakota School of Mines & Technology facilitated a program review during the 2013-14 academic year for the B.S. in Technology program. The Committee was provided with institutional summaries for each program. Information only. A copy of the Program Review Report can be found on pages ___ to ___ of the official minutes.

I-C General Education Review

The Committee received the General Education Review report which provided information regarding the formation of a coordinating/steering committee comprised of faculty and campus leadership. The steering committee is charged with evaluating the landscape of current national initiatives that were outlined in the August Board of Regents item and identify one that could serve to provide a viable roadmap for facilitating significant change for the system's approach to general education. A timeline of major events involving this process was provided. Information only. A copy of the General Education Review can be found on pages ___ to ___ of the official minutes.

I-D Legislative Reports

The Committee was provided with analytic reports in response to Senate Bill 3, Senate Bill 4, and Senate Bill 5 from the 2013 legislative session. These bills require that the Board of Regents provide the Legislative Research Council (or other body) with annual information with regard to – respectively – licensure exam outcomes (SB3) graduate placement outcomes (SB4), and general accountability performance measures (SB5). Information only. A copy of the Legislative Reports can be found on pages ___ to ___ of the official minutes.

I-E CAAP Report

This item was referred to full board on December 4, 2014.

I-F AY2014 Minimum Progression Standards Report

The annual *Minimum Progression Standards Report* provides system data which analyzes the extent to which students met Regental minimum progression benchmarks during the 2013-2014

academic year. The full report was provided to the committee. Information only. A copy of the AY2014 Minimum Progression Standards Report can be found on pages ___ to ___ of the official minutes.

I-G Credit Loads of Regental Students

The *Credit Loads of Regental Students* report examines change in the enrollment intensity of Regental undergraduates over the last half-decade. Specifically, the report tracks the extent to which students enroll in fifteen or more credit hours per semester. Information only. A copy of the Credit Loads of Regental Students can be found on pages ___ to ___ of the official minutes.

I-H Graduate Debt

The *Graduate Debt* report reviews two recent national reports on student debt. The Committee was presented both data which was recently published by the Institute for College Access and Success (TICAS) as well as a basic overview of federal student loan default data from the US Department of Education. Information only. A copy of the Graduate Debt can be found on pages ___ to ___ of the official minutes.

CONSENT ITEMS

It was moved by Regent Baloun and seconded by Regent Schieffer to approve items II-A through II-E.

II-A Resolutions of Recognition

Approve the proposed request to recognize Ms. Naomi Keenan (DSU) for her years of dedicated service to the public higher education system of South Dakota. A copy of the Resolution of Recognition can be found on pages ___ to ___ of the official minutes.

II-B Graduation Lists

Approve the BHSU, DSU, NSU, SDSMT, SDSU, and USD graduation lists contingent upon the students' completion of all degree requirements. A copy of the Graduation Lists can be found on pages ___ to ___ of the official minutes.

II-C Request to Seek Accreditation – SDSU

Approve SDSU's request to seek accreditation from LAAB for its B.L.A. in Landscape Architecture program. A copy of the Request to Seek Accreditation can be found on pages ___ to ___ of the official minutes.

II-D (1) Program Modifications – SDSM&T

Approve SDSM&T's program modification requests for its M.S. in Mining Engineering. A copy of the Program Modification – SDSM&T can be found on pages ___ to ___ of the official minutes.

II-D (2) Program Modifications – SDSU

Approve SDSU's program modifications requests for its B.S. in Health Education; Aerospace Studies Minor; English Minor; Grassland Management Certificate; Philosophy Minor; Physics Minor; and Religion Minor. A copy of the Program Modification – SDSU can be found on pages ___ to ___ of the official minutes.

II-D (3) Program Modifications – USD

Approve USD's program modification requests for its M.A in Addition Studies; M.A. in English (TESOL Specialization); and Honors Program. A copy of the Program Modifications – USD can be found on pages ___ to ___ of the official minutes.

II-E Articulation Agreements – SDSU

Approve the proposed articulation agreements between SDSU and Iowa Lakes Community College; Northwest Iowa Community College; Ridgewater College; Western Iowa Tech Community College; and Alexandria Technical and Community College. A copy of the Articulation Agreements – SDSU can be found on pages ___ to ___ of the official minutes.

All voting AYE, the motion passed.

II-F (1) Cooperative Agreements – NSU

It was moved by Regent Baloun and seconded by Regent Schieffer to approve the proposed cooperative agreements between NSU and Nagasaki University; and University of Jinan. The Committee asks that the cover sheet be amended by deleting the phrase "which requires the campuses to have equal number of participants." Motion passed. A copy of the Cooperative Agreements – NSU can be found on pages ___ to ___ of the official minutes.

II-F (2) Cooperative Agreements – SDSM&T

It was moved by Regent Baloun and seconded by Regent Schieffer to approve the proposed cooperative agreements between SDSM&T and Technology and Aalen University of Applied Sciences; Novia University of Applied Sciences; Telemark University College; and Universidad Catolica Del Norte. The Committee asks that the cover sheet be amended by deleting the phrase "which requires the campuses to have equal number of participants." Motion passed. A copy of the Cooperative Agreements – SDSM&T can be found on pages ___ to ___ of the official minutes.

II-F (3) Cooperative Agreements – BHSU

It was moved by Regent Baloun and seconded by Regent Schieffer to approve the proposed cooperative agreement between BHSU and the Catholic University of Daegu. The Committee asks that the cover sheet be amended by deleting the phrase “which requires the campuses to have equal number of participants.” Motion passed. A copy of the Cooperative Agreements – BHSU can be found on pages ___ to ___ of the official minutes.

SUBSTANTIVE

III-A (1) BOR Policy 1:7:10 – Electronic University Consortium

Regent Schieffer moved to approve the proposed change to Board Policy 1:7:10. Regent Baloun seconded the motion and the motion passed. A copy of the BOR Policy 1:7:10 – Electronic University Consortium can be found on pages ___ to ___ of the official minutes.

III-A (2) BOR Policy 2:10 – Limiting Withdrawals

Regent Schieffer moved to approve the proposed change to Board Policy 2:10 regarding limiting withdrawals. Regent Baloun seconded the motion and the motion passed. A copy of the BOR Policy 2:10 – Limiting Withdrawals can be found on pages ___ to ___ of the official minutes.

III-A (3) BOR Policy 2:10 – Summer Suspensions

Regent Schieffer moved to approve the proposed change to Board Policy 2:10 regarding summer suspensions. Regent Baloun seconded the motion and the motion passed. A copy of the BOR Policy 2:10 – Summer Suspensions can be found on pages ___ to ___ of the official minutes.

III-A (4) BOR Policy 2:28 – CAAP Waiver

This item was referred to the full board meeting on Thursday, December 4.

III-A (5) BOR Policy 2:7 and 2:26 – General Education

Regent Schieffer moved to approve the proposed modifications to the courses lists established within AAC Guidelines for Associate Degree and Baccalaureate Degree requirements as well as the corresponding course quota modifications to the general education requirements for BOR policies 2:7 & 2:26. Regent Baloun seconded the motion and the motion passed. A copy of the BOR Policy 2:7 and 2:26 – General Education can be found on pages ___ to ___ of the official minutes.

III-B (1) New Program Request: USD Occupational Therapy Doctorate

Regent Baloun moved to approve USD’s new program proposal for an Occupational Therapy Doctorate as described in Attachment I. Regent Krogman seconded the motion and the motion

passed. A copy of the New Program Request: USD Occupational Therapy Doctorate can be found on pages ___ to ___ of the official minutes.

III-B (2) New Program Request: BHSU, NSU, SDSU, USD M.Ed. Principal Preparation

Regent Baloun moved to approve the collaborative proposal from BHSU, NSU, SDSU, and USD for a M.Ed. in Principal Preparation as described in Attachment I. Regent Krogman seconded the motion and the motion passed. A copy of the New Program Request: BHSU, NSU, SDSU, USD M.Ed. Principal Preparation can be found on pages ___ to ___ of the official minutes.

III-C (1) New Site Request: USD Paramedic Specialization

Regent Krogman moved to approve USD's request to offer the Paramedic Specialization within the B.S. in Health Sciences at the Health Sciences Center in Sioux Falls, SD as described in Attachment I. Regent Schieffer seconded the motion and the motion passed. A copy of the New Site Request: USD Paramedic Specialization can be found on pages ___ to ___ of the official minutes.

III-C (2) New Site Request: USD BSN in Nursing at Capital University Center

Regent Krogman moved to approve USD's request to offer the BSN in Nursing off campus at Capital University Center in Pierre, SD as described in Attachment I. Regent Schieffer seconded the motion and the motion passed. A copy of the New Site Request: USD BSN in Nursing at CUC can be found on pages ___ to ___ of the official minutes.

III-D (1) Intent to Plan: SDSU BS in Community and Regional Planning

It was moved by Regent Schieffer and seconded by Regent Krogman to authorize South Dakota State University to develop a proposal for a B.S. in Community and Regional Planning with the following conditions:

1. The university will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers.
2. The proposal will define the specific knowledge, skills, and competencies to be acquired through the program, will outline how each will be obtained in the curriculum and will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies.
3. The university will not request new state resources and the program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs.

A copy of the Intent to Plan: SDSU BS in Community and Regional Planning can be found on pages ___ to ___ of the official minutes.

III-D (2) Intent to Plan: SDSU MS in Industrial/Organizational Psychology

It was moved by Regent Schieffer and seconded by Regent Krogman to authorize South Dakota State University to develop a proposal for a M.S. in Industrial/Organizational Psychology with the following conditions:

1. The university will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers.
2. The proposal will define the specific knowledge, skills, and competencies to be acquired through the program, will outline how each will be obtained in the curriculum and will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies.
3. The university will not request new state resources and the program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs.

A copy of the Intent to Plan: SDSU MS in Industrial/Organizational Psychology can be found on pages ___ to ___ of the official minutes.

III-E High School Dual Credit Program Joint Powers Agreement

It was moved by Regent Krogman and seconded by Regent Schieffer to approve the Joint Powers Agreement from the Department of Education to Provide Joint Action Between Agencies to Provide Dual Credit Opportunities to High School and Homeschool Students. Motion passed.

A copy of the High School Dual Credit Program Joint Powers Agreement can be found on pages ___ to ___ of the official minutes.

Full Report

IT WAS MOVED by Regent Johnson, seconded by Regent Schieffer to adopt the report and actions of the Committee on Academic and Student Affairs. All members voting AYE. The MOTION CARRIED. A copy of the Full Report can be found on pages ___ to ___ of the official minutes.

REPORT AND ACTIONS OF THE COMMITTEE ON BUDGET AND FINANCE

Regent Sutton presented the report and actions of the Committee on Budget and Finance as follows:

INFORMATIONAL ITEMS

I-A Institutional Items of Information

The Committee received Institutional Items of Information submitted by Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines

and Technology, South Dakota State University, University of South Dakota, South Dakota School for the Blind and Visually Impaired, and South Dakota School for the Deaf. No action required. A copy of the Institutional Items of Information can be found on pages ___ to ___ of the official minutes.

I-B Capital Project List

The Committee received the Capital Improvement Project List identifying the current capital improvement projects along with the Regental representative, estimated dollar amount, the source of funds for the project, and the current status of the project. Information only. A copy of the Capital Project List can be found on pages ___ to ___ of the official minutes.

I-C Building Committee Report

The Committee received information regarding the activities of the various building committees that had met since the last meeting as follows: the Building Committee for the SDSM&T CBEC Southside Renovation selected Chamberlin as the architect for the project; the Building Committee for the SDSM&T Student Innovation Center hired TSP/SmithGroup as the architect for the project; the Building Committee for the SDSU Cow Calf Research Education Unit selected Mills Construction as the Construction Manager at Risk for the project; the Building Committee for the SDSM&T Mineral Industries Renovation selected Clark Enerson as the architect for the project; the Building Committee for the SDSM&T Surbeck Center Expansion project selected Architecture International as the architect for the project; the Building Committee for the SDSU Swine Education and Research Facility approved the Facility Design Plan for the project with a total project cost of \$6,900,000, and approved the use of a Construction Manager at Risk; the Building Committee for the SDSU Brown Hall Renovation met to discuss the Facility Design Plan for the project, no action was taken; the Building Committee for the USD Patterson Hall Infrastructure Upgrade project approved the Facility Design Plan at a total project cost of \$6,500,000; the Building Committee for the SDSU Brown Hall Renovation project approved the Facility Design Plan for the project and approved the increase in total project funding to \$9.75 million; the Building Committee for the USD GEAR Center Expansion project selected the team of Architecture Inc./Perkins + Will as architect for the project. Information only. A copy of the Building Committee Report can be found on pages ___ to ___ of the official minutes.

I-D Fall 2014 Tuition Reduction Report

The Committee received a report regarding the Fall 2014 Tuition Reduction Programs including both Board approved and legislatively mandated programs that related to state-support courses. The Board approved programs include: Persons 65 Year of Age or Older, Reserve Officer Training Corps, North Dakota Residents Attending Northern State University, Western Regional Graduate Program, and Wyoming Residents Attending Black Hills State University. Legislative approved programs include: Child of Deceased Veteran, Dependents of National Guardsmen Disabled or Deceased in Line of Duty, Employees of the State of South Dakota, Survivors of Fire Fighters, Certified Law Enforcement Offices and Emergency Medical Technicians, Certain Elementary and Secondary Teachers and Vocational Instructors, Veterans and Others Who

Performed War Service, Dependents of Prisoner of War or Missing in Action, Visually Impaired Persons, and National Guard Members. The Board waived a total of \$159,716 in tuition and university support fees (USF) for Guard members. When added to the \$317,880 for all other programs, the total tuition and fees waived would be \$477,596 for the fall semester. Information only. A copy of the Fall 2014 Tuition Reduction Report can be found on pages ___ to ___ of the official minutes.

I-E Minimum Wage

Two changes will take effect January 1, 2015 that affect the minimum wage paid to hourly workers. Executive Order 13958 was signed by President Obama on February 12, 2014 that establishes a minimum wage of \$10.10 per hour for workers on federal construction and service contracts. The impact of Executive Order 13658 is expected to be minimal for the Regental institutions. On November 4, 2014, the citizens of South Dakota passed Ballot Initiative Number 18 which raises the minimum wage for workers in the state from \$7.25 to \$8.50 per hour effective January 1, 2015. The cash wage for tipped workers will change from \$2.12 per hour to \$4.25 per hour, 50% of the minimum wage. The SD Ballot Initiative Number 18 includes a provision which adjusts the minimum wage annually based on the Consumer Price Index (CPI). Dr. Kramer provided information on the number of students impacted at the request of Regent Schartz. Information only. A copy of the Minimum Wage item can be found on pages ___ to ___ of the official minutes.

I-F System Tuition Pool Condition Statement

The Committee received the System Tuition Pool Condition Statement that reflects a balance of \$2,008,971 as of June 30, 2014. The current balance, after interest earnings posted in September, is \$2,777,302. The current goal of the pool is 5% of state-support tuition revenue or \$4,242,425. The reserve is currently at 3.27%. The Board's reserve is available to address emergencies as well as other Board priorities and critical needs. Today, the institutions get back all of their revenues from the tuition pool. The tuition reserve pool only grows by the amount of interest earned through investment. Information only. A copy of the System Tuition Pool Condition Statement can be found on pages ___ to ___ of the official minutes.

I-G USD Muenster Financing Update

At the October 2013 Board meeting, USD presented a plan to internally finance the addition to the Muenster Student Center. That plan utilized dollars that had been set aside in the Replace, Renovate, and Repair (RRR) account for the student union as well as borrowing RRR funds from residential life and the Wellness Center. The plan included a payback schedule for replenishing the RRR accounts for the Wellness Center and residence halls. Because of the aggressive building timeline, USD will be able to begin its payback plan a year sooner than planned. It was noted that USD borrowed internally only what was necessary for completion of the addition. This ensured that there were funds available to allow USD to keep up with M&R projects for both the Wellness Center and the residence halls. Information only. A copy of the USD Muenster Financing Update can be found on pages ___ to ___ of the official minutes.

CONSENT ITEMS

IT WAS MOVED by Regent Jewett, seconded by Regent Schartz to approve the following items on the consent calendar:

II-A FY16 Fee M&R Projects

The FY16 M&R fee will be assessed at a rate of \$2.72 per credit hour according to previous Board and legislative approval. These revenues will be used for maintenance and repair projects and for critical deferred maintenance project debt service. The estimated available M&R project funds for FY16 total \$1,605,805. Regent Jewett moved approval of the list of campus M&R projects and cost estimates, Regent Schartz seconded approval. A copy of the FY16 Fee M&R projects can be found on pages ___ to ___ of the official minutes.

II-B FY16 Auxiliary M&R Projects

It was moved by Regent Jewett and seconded by Regent Schartz to approve the FY16 Auxiliary Maintenance & Repair projects to be funded with auxiliary revenues. A copy of the FY16 Auxiliary M&R Projects can be found on pages ___ to ___ of the official minutes.

II-C FY16 AES M&R Projects

It was moved by Regent Jewett and Regent Schartz seconded approval of the FY16 AES Maintenance & Repair project list to be funded by the pesticide tax. A copy of the AES M&R Projects can be found on pages ___ to ___ of the official minutes.

II-D FY16 HEFF M&R Allocation & Projects

It was moved by Regent Jewett and Regent Schartz seconded approval of the HEFF allocation and the requested projects for FY16. A copy of the FY16 HEFF M&R Allocation & Project list can be found on pages ___ to ___ of the official minutes.

SUBSTANTIVE

III-A M&R Projects

Regent Jewett moved to approve the FY16 Auxiliary Maintenance & Repair projects to be funded with auxiliary revenues. Regent Schartz seconded. Details of the FY16 Auxiliary M&R projects can be found on pages ___ to ___ of the official minutes.

III-B BHSU School of Business Preliminary Facility Statement

Regent Jewett moved and Regent Schartz seconded the motion to approve BHSU's Preliminary Facility Statement to develop a construction plan for a new School of Business facility. Approval of this phase allows for further planning, but does not give approval for the building's construction. Approval of this project will allow BHSU to develop their Facility Program Plan

for the Board. Proposed funding for this project will come from private donations, grants, future HEFF funds and local funds. If approved, the Board President should assign a Building Committee representative to oversee the project's development. Details of the project submitted by the institution can be found on pages ___ to ___ of the official minutes.

III-C NSU New Residence Hall Preliminary Facility Statement

It was moved by Regent Schaefer and seconded by Regent Schartz to approve NSU's Preliminary Facility Statement to plan for the construction of a new residence hall facility. Approval of this phase allows for further planning, but does not give approval for the building's construction. Board approval will allow NSU the opportunity to develop their Facility Program Plan for the Board. Proposed funding for this project will come from the issuance of revenue bonds debt serviced by residence hall revenues. NSU is requested to provide a financing plan using 90% occupancy and to identify all proposed changes to housing rates and resulting coverage ratios needed to finance this new facility. If approved, the Board President should assign a Building Committee representative to oversee the project's development. Complete details of the Preliminary Facility Statement can be found on pages ___ to ___ of the official minutes.

III-D SDSM&T Chem/ChemE Building Renovation Facility Design Plan

Regent Schaefer moved to approve SDSM&T's Facility Program Plan to renovate the Chemistry/Chemical Engineering Building at an estimated cost of \$10,000,000. The motion was seconded by Regent Schartz. Funding for this project will come from the issuance of HEFF Bonds in the amount of \$6,040,000 and \$519,000 in HEFF maintenance and repair funds, and potential federal or private funds. Complete details of the Preliminary Facility Statement can be found on pages ___ to ___ of the official minutes.

III-E SDSU Animal Disease Research & Diagnostic Laboratory Additions & Renovations Facility Program Plan

Regent Schaefer moved and Regent Schartz seconded approval of SDSU's Facility Program Plan which will allow SDSU to investigate alternatives and options for the renovation and enhancement of the existing Animal Disease Research Diagnostic Laboratory building. SDSU is requested to develop construction/renovation options that would provide various levels of diagnostic and industry service capabilities that in the end will provide cost options. Further, the various options should include related business plans that will show the full extent of revenues and expenses and available resources to support the facility options. The estimated \$400,000 construction planning will come from ADRDL facility funds. A funding source will need to be identified for project construction before final design. Complete details of the project can be found on pages ___ to ___ of the official minutes.

III-F SDSU Plant Science Research Support Facility – Facility Design Plan

Regent Jewett moved and Regent Schartz seconded approval of SDSU's Facility Program Plan to construct a Plant Science Research Support Facility at an estimated cost of \$4,500,000.

Funding for this project will include \$2,400,000 from SDSU Facilities & Administration Sponsored Programs indirect funds, \$1,100,000 from a SDSU Foundation Seed Stock grant, \$500,000 from the SDSU College of Agriculture & Biological Sciences, and \$500,000 from agriculture industry partners. If approved this project should be added to the 2015 Legislative package. Details of the project can be found on pages ___ to ___ of the official minutes.

III-G SDSU Brown Hall Renovation Facility Design Plan

Regent Jewett moved and Regent Schaefer seconded approval of SDSU's Brown Hall Facility Design Plan at an estimated project cost of \$9,750,000. Funding for this project will be \$7,000,000 from debt and refinancing proceeds already in place, \$536,000 from FY16 & FY17 M&R project funds, \$464,000 from remaining 2011 Bond funds, \$750,000 in bond proceed interest income, and an estimated \$1,000,000 in 2015 bond refinancing. Approve a 27% rate increase for Brown Hall, approximately \$590 per semester, upon completion of the improvements to service the debt. Complete details of the project can be found on pages ___ to ___ of the official minutes.

III-H SDSU Swine Education & Research Facility – Facility Design Plan

Regent Schaefer moved and Regent Schartz seconded approval of SDSU's Facility Design Plan to construct the Swine Education and Research Facilities at a cost not to exceed \$6,900,000. The proposed project includes a Teaching and Research Facility, a Wean to Finish Research Facility, a Wean to Finish Production Barn and a Compost Structure. Funding for this project will be \$2,037,000 in State General Funds, \$1,000,000 in HEFF Funds, plus \$3,863,000 in current donated funds. Complete details of the project can be found on pages ___ to ___ of the official minutes.

III-I USD Patterson Hall Infrastructure – Facility Design Plan

Regent Schaefer moved and Regent Jewett seconded approval of USD's Facility Design Plan to upgrade the infrastructure of Patterson Hall at an estimated cost of \$6,500,000. Funding for this project comes from the 2013 HEFF Bond proceeds. Complete details of the project can be found on pages ___ to ___ of the official minutes.

III-J Lease to the BHSU Foundation to Provide Access to the Residence of the BHSU President

Regent Jewett moved and Regent Schartz seconded authorization by the Board President to execute the proposed ground lease with the Black Hills State University Foundation on behalf of the Board once the Executive Director and General Counsel confirm that negotiations over its final details have been completed and that the final document is in substantially the form reviewed by the Board. The Executive Director is directed to include the final version of the ground lease as an attachment to his report to the Board at the March 31 - April 2, 2015 Board meeting. The Board delegates the Black Hills State University President the power to exercise the powers reserved to the Lessor under the proposed lease insofar as these concern approval of

facility designs and specifications and the ordinary supervision of the lease administration. Complete details of the lease can be found on pages ___ to ___ of the official minutes.

III-K SDSU Alumni Green Ground Lease

Regent Jewett moved and Regent Schartz seconded authorization by the Board President to execute the proposed ground lease with the South Dakota State University Foundation on behalf of the Board, on the condition that no university funds may be expended to construct the facility, once the Executive Director and General Counsel confirm that negotiations over its final details have been completed and that the final document is in substantially the form reviewed by the Board. The Executive Director is directed to include the final version of the ground lease as an attachment to his report to the Board at the March 31 – April 2, 2015 Board meeting. The Board delegates the South Dakota State University President the power to exercise the powers reserved to the Lessor under the proposed lease insofar as these concern approval of facility designs and specifications and the ordinary supervision of the lease administration. Complete details of the lease can be found on pages ___ to ___ of the official minutes.

Full Report

IT WAS MOVED by Regent Sutton, seconded by Regent Jewett to adopt the report and actions of the Committee on Budget and Finance. All members voting AYE. The MOTION CARRIED. A copy of the Full Report can be found on pages ___ to ___ of the official minutes.

FY16 GOVERNOR’S BUDGET RECOMMENDATIONS

Ms. Claudean Hluchy explained that Governor Daugaard gave his annual Budget Address for fiscal year 2016 on December 2, 2014 at 1:00 p.m. She summarized the recommendations for the Board of Regents FY2016 budget. Regents asked clarifying questions.

A copy of FY16 Governor’s Budget Recommendations can be found on pages ___ to ___ of the official minutes.

VETERANS ACCESS, CHOICE AND ACCOUNTABILITY ACT OF 2014

Dr. Kramer explained that section 702 of the Veterans Access, Choice and Accountability Act of 2014 (Choice Act) will require that we give resident status to veterans, and spouse or children receiving transferred benefits. He referenced that legislative changes to 13-53-29.1 will put us in-line with the new federal regulation. The changes will address residency issues related to spouses or benefits that are “covered individuals”.

He touched upon additional recommended clean-up language to statutes related to spouses and children of veterans as well as to statutes related to spouses of active duty military.

IT WAS MOVED by Regent Baloun, seconded by Regent Schieffer to adopt the proposed changes to 13-53-29.1 and 13-53-41.2 which will bring us in-line with the new federal requirements for individuals receiving transferred benefits and will clear up any residency

questions related to spouses and children of military and veterans living in South Dakota. All members voting AYE. The MOTION CARRIED.

A copy of Veterans Access, Choice, and Accountability Act of 2014 can be found on pages ___ to ___ of the official minutes.

CAAP REPORT – Moved from Committee A

Dr. Turman explained that Board policy requires all degree-seeking students to meet satisfactory performance benchmarks on the Collegiate Assessment of Academic Proficiency (CAAP) exam, a nationally-normed achievement test developed by ACT, Inc. comprising four subtests (writing, mathematics, reading, and science). He summarized Regental exam data from FY2014.

A copy of the CAAP Report can be found on pages ___ to ___ of the official minutes.

III-A (4) BOR Policy 2:28 – CAAP Waiver – Moved from Committee A

Dr. Turman explained the background of the implementation of the CAAP in the Regental system. He explained the proposed waiver criteria as presented in the proposed revised policy and described the metrics that show that students who meet certain benchmarks on the ACT virtually always pass the CAAP. He said the data showing the benchmarks and pass rates were used to develop the waiver policy.

Regent Jewett asked for the percentage of how many students are failing the CAAP exam. Dr. Turman explained that roughly 11% fail the CAAP.

Regent Baloun said there was logic in why this was originally put in place. However, he explained that there is wisdom in the policy revisions. He said the way the policy is revised still addresses the reasons this was originally put in place.

Regent Jewett noted the peril in sending unprepared students out into the workforce. He said this is a credibility issue. He said he believes it is a small imposition to document that our students are prepared and qualified.

Dr. Warner noted that the CAAP exam is designed as a minimal competency test.

Regent Sutton noted that since the initial CAAP test was given in South Dakota, the campuses have totally revised student success initiatives and ways to intervene with at-risk students. He said that if this passes, we'll eliminate the need for nearly half of the students to take a test that we are 99.7% positive that they will pass anyway.

IT WAS MOVED by Regent Johnson, seconded by Regent Schartz to approve the revisions to BOR Policy 2:28 – Proficiency Examinations as provided in Attachment II. Regents Schieffer, Baloun, Johnson, Schaefer, Krogman, Sutton, and Schartz voting AYE. Regent Jewett opposed. The MOTION CARRIED.

A copy of the item prepared for BOR Policy 2:28 – CAAP Waiver can be found on pages ___ to ___ of the official minutes.

ADJOURN

IT WAS MOVED by Regent Sutton, seconded by Regent Baloun to adjourn the meeting of the Board of Regents on December 4 at 9:55 a.m. All members voting AYE. The MOTION CARRIED.

DRAFT

**BOARD OF REGENTS
MINUTES OF THE MEETING
Board of Regents Central Office (Teleconference)
Pierre, South Dakota
March 18, 2015**

The Board of Regents convened via teleconference at 11:00 a.m. (central time) on March 18, 2015 with the following members in attendance:

ROLL CALL:

Dean Krogman – ABSENT
Randy Schaefer – PRESENT
Bob Sutton – PRESENT
Terry Baloun – PRESENT
John Bastian – PRESENT
Harvey Jewett – PRESENT
Kathryn Johnson – ABSENT
Joe Schartz – PRESENT
Kevin Schieffer – PRESENT

Also present were Jack Warner, Executive Director and CEO; Monte Kramer, System Vice President of Finance and Administration; Paul Turman, System Vice President of Academic Affairs; James Shekleton, General Counsel; Janelle Toman, Director of Communications; Claudean Hluchy, Budget Manager; Molly Weisgram, System Director of Student Affairs and Executive Administrative Assistant to the CEO and Board; President James Smith, Tom Hawley, Connie Ruhl-Smith, NSU; Kathleen Fairfax, SDSU; Aberdeen American News Reporter.

Regent Vice-President Schaefer called the public meeting of the Board of Regents to order and declared a quorum present.

APPROVAL OF THE AGENDA

IT WAS MOVED by Regent Schieffer, seconded by Regent Schartz to approve the agenda as published.

ROLL CALL:

Dean Krogman – ABSENT
Randy Schaefer – AYE
Bob Sutton – AYE
Terry Baloun – AYE
John Bastian – AYE
Harvey Jewett – AYE
Kathryn Johnson – ABSENT
Joe Schartz – AYE
Kevin Schieffer – AYE

The MOTION CARRIED.

MEMORANDUM OF AGREEMENT – DEVELOPMENT OF THE CONFUCIUS INSTITUTE AT NORTHERN STATE UNIVERSITY

Dr. Jack Warner introduced the item, explaining that NSU is seeking approval of the Memorandum of Agreement between Northern State University and the University of Jinan for the Development of the Confucius Institute. The CI will provide basic Mandarin instruction and associated programs at NSU that encourage understanding of Chinese culture that are to be essentially cost-free operationally. He confirmed that the agreement has been thoroughly vetted by system vice president of academic affairs Dr. Paul Turman and legal counsel Dr. James F. Shekleton. He recommends approval and noted that the agreement is in the appropriate form.

NSU President James Smith further explained the agreement and said that although tuition and fee revenues from these activities would be modest, an anonymous pledge of \$400,000 from a private donor will cover any startup costs not provided by the Chinese funding entity, Hanban (CIH or Confucius Institute Headquarters). CIH will provide \$150,000 in startup funds, a 3,000 volume library of Chinese books and teaching materials, and airfares for all visiting personnel. Base funding and cost reimbursements of budgetary needs will not require substantial fronting of expenses by NSU due to an annual base funding system that is used by Hanban. All salaries of visiting personnel will also be provided via CIH. NSU will provide residence hall housing for visiting Chinese instructors.

IT WAS MOVED by Regent Jewett, seconded by Regent Schartz to approve the memorandum of agreement between Northern State University and the University of Jinan for the Development of the Confucius Institute.

Regent Schieffer asked President Smith if the Mandarin being taught is the standard dialect. President Smith confirmed that the University of Jinan (UHN) is located 45 minutes from Beijing and is considered to be a dialect that does not include an accent.

Additionally, Regent Schieffer asked about the governing board of eight individuals. He asked what happens if the eight individuals are evenly divided on an issue. He asked what happens if there is an institutional disagreement. President Smith explained that the eighth member of the group is a nonvoting ex-officio member. This was the understanding with the parties involved during the negotiations of the agreement.

ROLL CALL:

Dean Krogman – ABSENT
Randy Schaefer – AYE
Bob Sutton – AYE
Terry Baloun – AYE
John Bastian – AYE
Harvey Jewett – AYE
Kathryn Johnson – ABSENT

Joe Schartz – AYE
Kevin Schieffer – AYE

The MOTION CARRIED.

ADJOURN

IT WAS MOVED by Regent Baloun, seconded by Regent Schieffer to adjourn the meeting of the full board at 11:15 a.m.

ROLL CALL:

Dean Krogman – ABSENT
Randy Schaefer – AYE
Bob Sutton – AYE
Terry Baloun – AYE
John Bastian – AYE
Harvey Jewett – AYE
Kathryn Johnson – ABSENT
Joe Schartz – AYE
Kevin Schieffer – AYE

The MOTION CARRIED. Meeting adjourned.