

**BOARD OF REGENTS
MINUTES OF THE MEETING
January 25, 2019**

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**BOARD OF REGENTS
MINUTES OF THE MEETING
Board of Regents Central Office (Teleconference)
Pierre, South Dakota
January 25, 2019**

The South Dakota Board of Regents convened by teleconference at 4 p.m. Central Time on January 18, 2019 with the following members in attendance:

ROLL CALL:

Lucas Lund – ABSENT
David Mickelson – PRESENT
Jim Morgan, Secretary – ABSENT
Pam Roberts – PRESENT
Randy Schaefer – ABSENT
Jim Thares – PRESENT
Joan Wink – PRESENT
John Bastian, Vice President – PRESENT
Kevin Schieffer, President – PRESENT

Also present were Dr. Paul B. Beran, Executive Director and CEO; members of the system office and other members of the regental system.

Regent Schieffer called the public meeting of the Board of Regents to order at 4 p.m. and declared a quorum present.

APPROVAL OF THE AGENDA

IT WAS MOVED by Regent Mickelson, seconded by Regent Thares, to approve the agenda with the removal of agenda item #3 SDSD Sale/Acquisition Resolution.

ROLL CALL:

Lund – ABSENT
Mickelson – AYE
Morgan – ABSENT
Roberts – AYE
Schaefer – ABSENT
Thares – AYE
Wink – AYE
Bastian – AYE
Schieffer – AYE

Motion Passed.

2019 LEGISLATIVE SESSION UPDATE

Dr. Janelle Toman, System Director of Communications, provided a status update of all Board of Regents sponsored bills. She noted that the first committee hearings were held this week on four of the Board's bills:

- HB1037 (NSU regional sports complex) – Passed 17-1 in Joint Appropriations Committee; should be on House floor for debate Monday.
- HB1038 (demolish Scobey Hall at SDSU) – Passed 17-1 in Joint Appropriations Committee; should be on House floor for debate Monday.
- HB1045 (redefine campus security officers for SDRS purposes) – Passed 5-0 in House Retirement Laws Committee, placed on Consent Calendar; should be on House floor for action Monday.
- SB44 (SDSU land transactions) – Passed 14-2 in Joint Appropriations Committee; should be on Senate floor for debate Monday.
- SB40 (transfer ADRDL property at SDSU) – Posted for committee hearing Tuesday (Jan. 29) in Senate Agriculture & Natural Resources Committee.
- SB43 (SDSU Vet 2+2 program) – Posted for committee hearing Tuesday (Jan. 29) in Senate Agriculture & Natural Resources Committee.
- SB41(bond refinance savings)

Dr. Toman explained that today was the last day for each legislator to introduce an unlimited number of bills this session. As a result, there were 128 new bills filed today. She referenced new bills that will be of interest to the regental system:

- HB1087 – Promote intellectual diversity at certain institutions of higher education
 - Dr. Beran explained that he spoke with the bill's sponsor Representative Sue Peterson. He explained to her that the first half of the bill encapsulated all the things the Board has already embedded into policy. He said putting this into a bill makes this a litigious issue rather than a campus development issue. He also explained his concern over some significant reporting each year on activities that would qualify for intellectual diversity. His issues with these parts of the bill are (1) it is the equivalent of an unfunded mandate and (2) the reporting requests could be used against the institutions in some substantial ways. He also expressed concern about adding six required credit hours in history and government. He said if we instituted this bill, the Board's recent effort to tighten up the required hours to graduation would limit the opportunity for students to exercise choice in their general education and electives. He said the goal of the effort would be better achieved with other activities on campus rather than a required course considering the Gen Z students' preferred method of learning. He explained to Rep. Peterson that the Board has not yet taken a firm position.
- HB1150 – Establish a nonbeneficiary student scholarship program for certain students attending tribally controlled colleges and to make an appropriation therefor.
- SB116 – Provide for the transfer of funds from the future fund to the education enhancement trust fund for the purpose of funding needs-based grants.

- SB122 – Restrict the enactment of policies governing the possession of firearms at public institutions of higher education.
- SB140 – Provide for the increase of higher education enrolled members of the nine federally recognized tribes in South Dakota at regental institutions.
- HB1165 – Establish the South Dakota prepaid college program and to make an appropriation therefor.
- HB1166 – Prohibit the obligation recovery center from imposing a cost recovery fee on any debts owed within the Board of Regents system.
- HB1168 – Revise certain programs regarding the board of regents and promote efficiency in state government and to make an appropriation therefor.

Dr. Toman said Governor Noem released her revised budget proposal on Wednesday, January 23. She said there was limited adjustment to the Board of Regents’ budget and provided the changes of interest:

- An extra \$100,000 dedicated to South Dakota Opportunity Scholarship to cover costs of home-schooled student eligibility.
- An adjustment from 2.3% (Daugaard) to 2.5% (Noem) for market salary increases for all permanent employees
- Additional general funds were identified to eliminate the recommended state-employee-paid health insurance premium.

Dr. Toman noted that the SDBOR Appropriations Committee Budget Hearing is scheduled for January 28-29.

Dr. Monte Kramer, Vice President of Finance & Administration, explained that the Legislative Research Council just sent an additional request that institutions provide information about efficiencies and what institutions are doing to recruit on reservations. Additionally, they asked that the Board address the South Dakota Advantage, and he will be providing that information in the system portion of the presentation.

Dr. Beran referenced HB1040, which allows home-schooled students to participate in the South Dakota Opportunity Scholarship program and applies the same criteria as it applies to students from accredited schools. He said because Governor Noem announced Wednesday that she recommends \$100,000 to cover increased scholarship costs due to home-schooled students’ future eligibility, the bill will most likely pass. He explained that several legislators have asked him to be a proponent for the bill, and said he planned to show his support as the financials are accounted for and these students tend to be successful in higher education. The Board endorsed his supportive position.

NSU President Downs referenced a comment made by a member of the Joint Appropriations Committee about including statutory language that would guarantee that the state will not be obligated to pay any maintenance and repairs costs on the Board’s building projects. Dr. Kramer noted that it would not be a problem for the NSU Sports Complex to have this statement included in legislative language, but it would be problematic to apply this broadly in statute as there are current projects that would be affected.

ADJOURN

IT WAS MOVED by Regent Wink, seconded by Regent Bastian, to adjourn the meeting of the full Board at 4:30 p.m.

ROLL CALL:

Lund – ABSENT
Mickelson – AYE
Morgan – ABSENT
Roberts – AYE
Schaefer – ABSENT
Thares – AYE
Wink – AYE
Bastian – AYE
Schieffer – AYE

Motion Passed. Meeting adjourned.

The South Dakota Board of Regents adjourned its special meeting on January 25, 2019 and will meet again for its regular session on April 2-4, 2019 in Spearfish.

I, Dr. Paul Beran, Executive Director and CEO of the South Dakota Board of Regents, declare that the above is a true, complete and correct copy of the minutes of the Board of Regents meeting held on January 25, 2019.

A handwritten signature in black ink, appearing to read "Paul B. Beran", with a long horizontal flourish extending to the right.

Dr. Paul B. Beran
Executive Director & CEO
South Dakota Board of Regents