

**BOARD OF REGENTS
MINUTES OF THE MEETING
August 7-9, 2012**

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**BOARD OF REGENTS
MINUTES OF THE MEETING
August 7-9, 2012**

The South Dakota Board of Regents met on August 7-9, 2012 in the Auditorium at Capital University Center, Pierre, South Dakota, with the following members present:

Kathryn Johnson, President
Dean Krogman, Vice President
Randy Schaefer, Secretary
Terry Baloun, Regent
James Hansen, Regent
Harvey Jewett, Regent
Randy Morris, Regent
Patrick Weber, Regent

Also present during all or part of the meeting were Jack Warner, Executive Director and CEO; James Shekleton, General Counsel; Sam Gingerich, System Vice President for Academic Affairs; Janelle Toman, Director of Communications; Michele Anderson, Internal Auditor; Paul Turman, System Vice President for Research and Economic Development; Janice Minder, System Student Affairs; Daniel Palmer, Director of Institutional Research; Paul Gough, Director of Policy and Planning; Barbara Basel, Director of Human Resources; Monte Kramer, System Vice President of Finance and Administration; Dave Hansen, Director of Information Technology; Heather Forney, Financial Compliance Officer; Claudean Hluchy, Budget Manager; Mary Ellen Garrett, Budget Manager; Molly Weisgram, Executive Administrative Assistant; James Abbott, USD; David Chicoine, SDSU; David Borofsky, DSU; Kay Schallenkamp, BHSU; Robert Wharton, SDSM&T; James Smith, NSU; Marjorie Kaiser, SDSBVI and SDSD; Mark Lee, UC-Sioux Falls; Ron Woodburn, CUC; Craig Johnson, UC-Rapid City; Tim Henderson, Duane Hrcir, SDSM&T; Cecelia Wittmayer, Stacy Krusemark, DSU; R. Lee Ginsbach, SDSBVI/SDSU; Tom Hawley, Veronica Paulson, NSU; Rod Custer, Kathy Johnson, BHSU; Sheila Gestring, Chuck Staben, USD; Rory Fenske, Student Federation; Annie Mehlhaff, LRC; Liza Clark, BFM; and Bob Mercer, Chet Brokaw, media.

TUESDAY, AUGUST 7, 2012

The Regents convened in open session at 6:30 p.m. on Tuesday, August 7, 2012, in the Plains Room at RedRossa Italian Grille in Pierre.

IT WAS MOVED by Regent Randy Schaefer, seconded by Regent Jim Hansen that the Board of Regents Convene and Dissolve into Executive Session at 6:30 p.m. on Tuesday, August 7, 2012, in order to discuss personnel matters; that it adjourn at 8:30 p.m. and reconvene in executive session at 8:00 a.m. on Wednesday, August 8, 2012, in order to discuss personnel matters; and that it arise from executive session at 9:00 a.m. to beginning discussions related to its annual retreat; that it reassemble at 12:00 p.m. on Wednesday, August 8, 2012, in executive session to discuss personnel matters, pending and prospective litigation, contractual and collective bargaining matters, and to consult with legal counsel; after that it rise from executive session at 1:30 p.m. to resume its retreat discussions according to the published agenda; that it reconvene on Thursday, August 9 at 7:30 a.m. with local legislators, resuming retreat discussions at 9:30 a.m. and that at 10 a.m., it take up the regular order of business and report of deliberations in all executive sessions. All members voting AYE. The MOTION CARRIED.

WEDNESDAY, AUGUST 8, 2012

Regent President Kathryn Johnson called the meeting of the Board of Regents to order at 9:30 a.m. on August 8, 2012. She explained that the retreat format is a deviation from the more formal business meeting format.

FY2014 BUDGET DEVELOPMENT

Dr. Monte Kramer and Claudean Hluchy presented a summary of the FY2014 budget request as it has currently been developed.

PhD in Physics: Questions related to graduate assistantship pay.

AES: The regents explained that they expected the request to be more focused on the specific needs the commodities groups have voiced over the last year. Dr. Warner explained that the request is not to build back original capacity rather to present something new. President Chicoine answered questions. He said that the additional FTEs that are being requested are the ones who are going to be able to go after the additional grant money, which is part of what the commodities groups are requesting. Dr. Warner suggested that the narrative needs to be clarified in a few different ways: (1) make clear that new research faculty will have an expectation of achieving grant dollars, and (2) make clear that this money will provide service to commodity groups by undertaking the research needs identified. Regent Krogman said that his read of the item and with his work with commodities group, this request responds to their requests, especially because they are concerned that there aren't enough faculty members to do the research and to win grants. Consensus from the regents that this item is not ready as is. Along with suggestions given by Dr. Warner, they suggested that the item should show some expectation of return on investment. They decided that the narrative should also explain how the

related industries would benefit. President Chicoine said it's important to recognize it will usually take faculty about three years to fully generate the expected level of grants.

SDSBVI: The request for two additional FTEs would bring the total to six outreach staff serving 200 children. It was recognized by the board that this recommendation came from a consultant's opinion in 2008 and the school continues to need the staff. Discussion about whether or not SDSBVI should charge K-12 schools for the outreach services.

Performance Funding: Dr. Daniel Palmer responded to questions and gave further explanation of how the model works. Discussion about whether or not there should be some recognition of retention rates for universities that are already doing very well. Regent President Johnson clarified that the budget request is only for a dollar amount, not to agree on a formula. She said the legislative summer study is working to potentially clarify a formula. Discussion of whether or not a subcommittee should be formed to work on this.

Reservation Teacher Shortage: A number of items were clarified with President Kay Schallenkamp regarding how the program would work. It was recommended that the scholarship explanation be moved from the scholarship section back to the teacher shortages on the reservation section. President Kay Schallenkamp said that this is only addressing the secondary education teachers, not primary education teachers at this time. The elementary education teachers would be the next step.

USD MD and PA Program Expansion: Dr. Warner said that with increased students, infrastructure investments will be needed but no locations have been specified. This need links with the work done being done by the Primary Care Task Force. Recognition that without a specific number to request (while waiting for the task force's recommendation), the final number would likely have to be included in the Governor's budget request.

Consideration for Increased Scholarship Aid: Clarification questions asked and answered. Recognition that without a specific number to request (while waiting for the task force's recommendation), the final number would likely have to be included in the Governor's budget request.

Regent Harvey Jewett suggested that the board include the M&R match for academic facilities that at one time was committed. He said the BOR received this fund for one year, and then the economy fell apart and BFM had to retract. The board agreed that this was an important thing to add to the budget request.

Another item mentioned by the regents that should be included is inflation on operating budgets. Dr. Monte Kramer said the amount would not be significant. Regent Jewett asked what the cumulative amount was since we went off the formula, and in response Dr. Kramer said that amount is roughly \$3.5 million. The item should say we would be willing to not pass these costs along to students if the state would be willing to help. The item should cover all inflation for OE and not just general funds.

Another discussion for a new request item request dealt with the salary competitiveness fee of 1% that the board has been asking of students. Instead, the regents would like to request this money from the state. This would go a long ways in holding down costs for students.

Research Innovation Fund: Same model as used in the past. Discussion related to how the money would be distributed via a competitive process or a distribution formula. The regents expressed that the competitive research grants process works.

Veteran Service Program: Dr. Janice Minder said this remains flexible to meet the needs of the individual campuses. The money requested per campus would also require a match. Question related to why current performance dollars wouldn't be used for this need. It was clarified that this is a request for one-time funding that could support infrastructure needs.

Teacher Education Program Redesign: Questions related to how the Department of Education is involved. President Schallenkamp said there are increased costs related to the changes in teacher prep, but it is the right direction. Dr. Tom Hawley said that, at this point, South Dakota is behind on teacher preparation and this redesign is the way to address it. Discussion about how there are further funding implications. Regents would like the future funding impact to be added to the discussion section.

Remedial Course Delivery in High Schools: It was clarified that the Department of Education is on board with this. A copy of the FY2014 Budget Development item can be found on pages 2349 to 2391.

WORK FORCE DEMOGRAPHICS

Sid Goss, sociology professor at South Dakota School of Mines and Technology, presented on South Dakota demographic trends and their implications for demand for higher education over the next twenty years, for workforce availability and for continued internal migration of South Dakotans away from rural areas and toward population centers. Professor Goss projected marked declines in the university-age population, as well as declines in the population required to maintain South Dakota's farms, ranches, businesses, and its governmental, social and educational institutions.

The regents shared reactions to the information. It was recognized that it seems the largest opportunities are Native American populations and the net migration from out-of-state students (especially in states that are not neighboring South Dakota). The Board also recognized that the state can ill afford to ignore the implications of decline in its working age population and that decision-makers should continue to pursue strategies to stem the tide of population loss and to increase the number of people who come to South Dakota to study and to work.

A copy of the Work Force Demographics item can be found on page 2449.

BOR SYSTEM DEMOGRAPHICS

Barbara Basel discussed current BOR system demographics and opportunities for the future.

Conversation about how the information relates to succession planning. Dr. Warner surmised that as baby boomers retire and are replaced by the demographic trough, salaries might be affected due to supply and demand.

A copy of the BOR System Demographics item can be found on pages 2450 to 2452.

SYSTEM CONTRIBUTIONS TO GOVERNOR’S WORKFORCE INITIATIVES

Dr. Paul Gough summarized the current BOR system contributions to the Governor’s Workforce Initiatives.

A copy of the System Contributions to Governor’s Workforce Initiatives item can be found on pages 2453 to 2455.

ENROLLMENT ENHANCEMENT STRATEGIES AT THE UNIVERSITY CENTERS

Each University Center dean/director summarized the current context of the University Centers and the role they play in their communities. They presented ideas of how growth could occur in the centers.

UC-SF: Discussion about whether or not employers would like classes hosted onsite. Dr. Mark Lee suggested there hasn’t been much interested expressed in this delivery method by employers. He said, regarding UC Foundations, enrollments are up about 20% for the foundation classes but overall enrollments are down a few percentage points. Dr. Lee believes that the UC Foundations program continues to need to be marketed. Discussion related to the demand of science courses. Questions were posed regarding possible additional programs. Marketing budget was also discussed.

UC-RC: Discussion related to the military population as it receives tuition assistance from the government. Further discussion on how to award credit for workforce or military experience after Dr. Craig Johnson explained that many of the competitors are willing to do this. Dr. Sam Gingerich offered the information that there are currently opportunities to have military experience transferred into credit. It was noted that there may be a lack of communication/awareness regarding this possible crediting. The marketing budget was discussed.

CUC: Ron Woodburn explained that the city of Pierre provides CUC’s marketing budget, about \$35,000. Question asked related to building capacity. Ron Woodburn explained that the new building allows class times that are more convenient for students, but there is room for further growth.

A copy of the Enrollment Enhancement Strategies at the University Centers item can be found on pages 2406 to 2414.

PROCESS OF SETTING TUITION AND FEES

Dr. Kramer explained the current process of setting tuition and fees.

Discussion about how to engage students in the process. Dr. Kramer suggested that institutional and discipline fees, for instance, are something the Board could discuss earlier than March. Further discussion of this idea uncovered concern about providing this information without the context of legislative funding. The regents debated whether or not the regional survey of tuition should be separate from the mandatory tuition and fees conversation. Regents expressed that they like the “Summary of Tuition and Fee Increase for FY13.” Regent President Johnson said she would suggest adding a few more pieces of information.

There was a lengthy discussion about the program fees approved the last couple of years. Dr. Warner said that these kinds of tuition increases will likely not be sustainable in the future because the cost shifting to students has grown very large. Regent Weber suggested that students should be equal partners in the conversation moving forward.

A copy of the Process of Setting Tuition and Fees item can be found on pages **2432** to **2442**.

2013 BOR MEETING SCHEDULE

The board discussed the proposed BOR Meeting Schedule for 2013. The regents decided upon proposed dates and the revised schedule will be brought to the full board meeting on Thursday, August 9.

A copy of the 2013 BOR Meeting Schedule item can be found on pages **2443** to **2448**.

FINANCIAL RATIOS

Dr. Kramer explained the picture of the universities from the perspective of financial ratios.

Dr. Kramer noted that the ratios don't show whether the institutions are under or over funded. It shows how the level of current funding is being managed. Dr. Kramer said he will look at the data after taking out the foundations information. This will become an annual report to the board.

A copy of the Financial Ratios can be found on pages **2415** to **2431**.

THURSDAY, AUGUST 9, 2012

At 7:30 a.m., the Board convened for a breakfast meeting with local legislators, when the meeting ended at approximately 9:00 a.m., IT WAS MOVED by Regent Schaefer, seconded by Regent Hansen that the Board dissolve into executive session to discuss personnel matters. All members voting AYE. The MOTION CARRIED.

Regent President Kathryn Johnson called the meeting of the Board of Regents to order at 9:40 a.m. on August 9, 2012, and declared a quorum present. The regents resumed discussion of the previous day's retreat topics.

Regent President Johnson asked the board to take up the budget item to discuss priority order.

She presented her budget item priority order then asked the regents for discussion. Dr. Kramer gave some insights related to the items that don't currently have numbers identified. He said the budget process is tied to a dollar amount, so the priorities described that do not have a number associated with them will not be seen in the legislative request. He said they will only be seen by the Governor. It was agreed to put the dollar amounts in the USD MA and PA Program Expansion item. The scholarship request and salary policy items would not have dollar amounts but would reflect the Regents' support.

The regents decided on a priority order with the contingency of reviewing the final draft of the revised AES item.

The regents decided on the following priority order:

Base Budget

Performance Funding

SDSM&T and USD PhD in Physics

New Investment – HEFF Match

USD MD & PA Program Expansions

AES – Health, Energy Independence, & Environmental Sustainability and Stewardship

SDSBVI – Outreach Vision Consultants

Addressing Reservation Teacher Shortage

Student Tuition Increase Buy-Down/1% Salary Competitiveness Pool

Student Tuition Increase Buy-Down/Operating Expense Inflation

Support for State Initiatives

Salary Policy

Consideration for Increasing Scholarship Aid

One-Time Funding

Research Innovation Fund

Student Success Initiatives

ACADEMIC QUALITY/INSTRUCTIONAL DELIVERY FOR THE FUTURE

Dr. Sam Gingerich addressed academic quality and instructional delivery for the future.

Discussion and questions related to the MOOC courses.

The Board asked Dr. Gingerich to narrow down what needs to be done. He explained that we need to evaluate whether or not the system should augment the CAAP exam. He said we also

need to find a way to assure quality in all degrees by engaging with the degree qualification process that is underway nation-wide.

A copy of the Academic Quality/Instructional Delivery for the Future can be found on pages 2392 to 2405.

RESEARCH ISSUES – PRESENT AND FUTURE

Regent President Johnson asked that the board take this topic up at the next regular business meeting.

WELCOME AND PRESENTATION BY CUC DIRECTOR RON WOODBURN

Director Ron Woodburn welcomed the audience to Capital University Center. He mentioned that CUC had its 30th anniversary this year, although it became part of the regental system in 2003. He summarized a program that CUC has provided for state government workers, The Governor's Leadership Program. He said thus far the program has had 90 state employees go through it, which helps in the state's succession planning. Ron Woodburn also acknowledged Wallace Halverson, a major benefactor of CUC, who passed away last year at the age of 93.

APPROVAL OF THE AGENDA

IT WAS MOVED by Regent Morris, seconded by Regent Weber to approve the agenda for the meeting as printed and mailed. All members voting AYE. The MOTION CARRIED.

REPORT AND ACTIONS OF EXECUTIVE SESSION

Upon convening at 6:30 p.m. on Tuesday, August 7, 2012, the Board dissolved into executive session in order to discuss personnel matters. As shown on the official agenda, it adjourned at 8:30 p.m. and reconvened in executive session at 8:00 a.m. on Wednesday, August 8, 2012 in order to discuss personnel matters; it rose from executive session at 9:00 a.m. to beginning discussions related to its annual August retreat. Then at 12:00 p.m. on Wednesday, August 8, 2012, in executive session to discuss personnel matters, pending and prospective litigation, contractual and collective bargaining matters, and to consult with legal counsel; and rose from executive session at 1:30 p.m. to resume its retreat discussions according to the published agenda; it reconvened on Thursday, August 9, at 7:30 a.m. with local legislators, dissolved into executive session at 9 a.m. to discuss personnel matters; rose from executive session at 9:30 a.m.; resumed retreat discussions at 9:40 a.m., and at 10:00 a.m. reported its deliberations in all executive sessions and resumed the regular order of business. All members voting AYE. The MOTION CARRIED.

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

IT WAS MOVED by Regent Schaefer, seconded by Regent Krogman 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. 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 2356 to 2522 of the official minutes.
2. Approve SDSU's request to grant tenure to Lynnette Stamler, Associate Dean of the College of Nursing, at the time of her appointment.
3. Award the title of Professor Emeritus to G. Michael Tibbitts (USD).

All members voting AYE. The MOTION CARRIED.

APPROVAL OF THE MINUTES

IT WAS MOVED by Regent Hansen, seconded by Regent Baloun to approve the minutes of the June 27-29, 2012 meeting. All members voting AYE. The MOTION CARRIED.

REPORT OF THE COUNCIL OF PRESIDENTS AND SUPERINTENDENTS

Dr. Warner reported that the Council of Presidents and Superintendents met on July 24 in Pierre where they discussed most of the items that appear on the agenda for this meeting. In addition, they discussed other items such as fine tuning the resident and nonresident classification system.

REPORT AND ACTIONS OF THE EXECUTIVE DIRECTOR

Dr. Warner thanked Ron Woodburn and the staff at CUC for hosting the August retreat/meeting and acknowledged their hospitality. He also thanked the members of the board for their active participation and engagement.

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 2525 to 2526.

STUDENT FEDERATION REPORT

Mr. Rory Fenske, student federation executive director, reported that students will soon be back to school. They've reviewed the goals list and have started discussing action items. Mr. Fenske reported that he has been reaching out to national organizations to get fresh ideas to help with things such as the voting drive.

INFORMATIONAL ITEMS

Regent President Johnson referenced the Informational Items on the agenda and indicated that if a Regent would like to discuss any of the items, he or she could certainly do so.

Institutional Items of Information

The institutional items of information were provided from BHSU, DSU, NSU, SDSM&T, SDSU, USD, SDSBVI, and SDSA. A copy of the Institutional Items of Information can be found on pages 2527 to 2560 of the official minutes.

Building Committee Report

Through building committees the following items were approved: South Dakota State University's Student Cow-Calf Education and Research Unit – selected designArc as the architect/engineer for the project; and South Dakota State University's Utility Infrastructure Upgrades – selected HR Green as the architect/engineer for the project. A copy of the Building Committee Report can be found on page 2561 of the official minutes.

Accreditation Status Report

The 2011-12 Accreditation Status Report was made available for review. Regent President Johnson noted the continual effort it takes to keep up the accreditations. A copy of the 2011-12 Accreditation Status Report can be found on pages 2562 to 2574 of the official minutes.

CONSENT CALENDAR

Regent President Johnson said the consent calendar contains a large number of items and asked for a motion to approve the entire consent calendar; however, she said if a Regent has an item on the consent calendar that they have a question on or a desire for clarification they should ask.

Regent Jewett said he'd like to pull Item 12 – M FY14 Minnesota Reciprocity Rates out of the consent agenda and discuss.

IT WAS MOVED by Regent Hansen, seconded by Regent Baloun to approve items 12 – A through N with the exception of M on the consent calendar (the following items):

New Program: BHSU A.S. in Applied Health Sciences

Approve the Black Hills State University proposal for an A.S. in Applied Health Sciences. Authorize Black Hills State University to deliver the A.S. in Applied Health Sciences at the University Center in Rapid City. A copy of New Program: BHSU A.S. in Applied Health Sciences can be found on pages 2575 to 2585 of the official minutes.

New Site Request: USD M.A. in Counseling and Psychology in Education, Online

Authorize the University of South Dakota to deliver the M.A. in Counseling and Psychology in Education with a Specialization in Human Development and Educational Psychology, Online. A copy of the New Site Request: USD M.A. in Counseling and Psychology in Education, Online can be found on pages 2586 to 2592 of the official minutes.

Intent to Plan: BHSU M.S. in Secondary Education

Authorize Black Hills State University to develop a proposal for a Master of Science in Secondary Education with the following conditions: (1) The University will not request new State resources, additional student fees or charges, or additional facilities to develop, implement, or maintain the proposed program. 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. (2) 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. (3) The proposal will define the specific knowledge, skills, and competencies to be acquired through the program and demonstrate how each will be obtained in the curriculum. (4) The proposal will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies and the consequences for students who do not achieve at the expected levels. A copy of the Intent to Plan: BHSU M.S. in Secondary Education can be found on pages **2593** to **2605** of the official minutes.

Program Modifications

South Dakota State University

Approve the program modification requests from SDSU for the Bachelor of Science in Dietetics, Masters of Science in Dietetics, Post Master's Nurse Educator Certificate, and Doctor of Nursing Practice in Family Nurse Practitioner. A copy of Program Modifications - SDSU can be found on pages **2606** to **2611** of the official minutes.

University of South Dakota

Approve the program modification requests from USD for the Master of Arts in Communication; Bachelor of Arts in Communication Studies, Bachelor of Science in Communication Studies, and Communication Studies Minor; and Doctor of Philosophy in Materials Chemistry. A copy of Program Modifications - USD can be found on pages **2612** to **2618** of the official minutes.

Request to Seek Accreditation – NSU Art

Approve NSU's request to seek accreditation for its Art program. A copy of the Request to Seek Accreditation – NSU Art can be found on pages **2619** to **2621** of the official minutes.

Cooperative Agreements – SDSM&T

Approve cooperative agreements between South Dakota School of Mines and Taibah University in Al-Madinah, KSA; The American University in Cairo, Egypt; and Istanbul Technical University in Istanbul, Turkey. A copy of the Cooperative Agreements – SDSM&T can be found on pages **2622** to **2628** of the official minutes.

SDSM&T Department Name Change

Approve SDSM&T's request for the reorganization and renaming of the Department of Chemistry to the Department of Chemistry and Applied Biological Sciences. A copy of the SDSM&T Department Name Change can be found on pages **2629** to **2630** of the official minutes.

BOR Policy Revisions

BOR 4:32:1 – Public Health Service Investigator Financial Discloser

Approve the creation of BOR Policy 4:32:1 to comply with federal regulations. A copy of BOR Policy Revision – BOR 4:32:1 – Public Health Service Investigator Financial Disclosure can be found on pages **2631** to **2641** of the official minutes.

BOR 3:2 – Resident and Nonresident Classification of Students

Approve the changes to BOR Policy 3:2 – Resident and Nonresident Classification of Students. A copy of BOR Policy Revision – BOR 3:2 – Resident and Nonresident Classification of Students can be found on pages **2642** to **2646** of the official minutes.

BOR 5:3 – Agreements and Contracts

Approve the changes to BOR Policy 5:3 – Agreements and Contracts. A copy of BOR Policy Revisions – BOR 5:3 – Agreements and Contracts can be found on pages **2647** to **2651** of the official minutes.

BOR 5:5:4 – Tuition and Fees: Fees

Approve the changes to BOR Policy 5:5:4 – Tuition and Fees: Fees. A copy of BOR Policy Revision – BOR 5:5:4 – Tuition and Fees: Fees can be found on pages **2652** to **2657** of the official minutes.

BOR 3:14 – Student Health Insurance

Approve BOR Policy 3:14 to ensure the health insurance for students is approved for the current academic year. A copy of BOR Policy Revision – BOR 3:14 – Student Health Insurance can be found on pages **2658** to **2661** of the official minutes.

BOR 4:36 – Payroll Practices

Approve the revised BOR Policy 4:36 – Payroll Practices. A copy of BOR Policy Revision – BOR 4:36 – Deferred Payroll can be found on pages **2662** to **2668** of the official minutes.

Graduation Lists

Approve the attached BHSU, NSU, 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 **2669** to **2687** of the official minutes.

Resolution of Recognition

Recognize David Zolnowsky for 27 years of dedicated service to DSU and the public higher education system of South Dakota. A copy of the Resolution of Recognition can be found on pages **2688** to **2689** of the official minutes.

Amended Athletic Trainer Agreement – NSU

The Amended Athletic Trainer Agreement – NSU was provided as an informational item. A copy of Amended Athletic Trainer Agreement – NSU can be found on pages **2690** to **2701** of the official minutes.

2013 Meeting Schedule

Approve the schedule of meeting dates for the Board of Regents meetings for 2013. A copy of 2013 Meeting Schedule can be found on page **2702** of the official minutes.

CISI Trip Insurance

Approve the proposed FY13 rates and the adoption of staff and faculty requirement to enroll effective January 1, 2013. A copy of CISI Trip Insurance can be found on pages **2707** to **2711** of the official minutes.

All voting AYE. The MOTION CARRIED.

FY13 MINNESOTA RECIPROCITY RATES

Mary Ellen Garrett, Accounting Manager, summarized the item. Questions were asked and answered about the comparison of Minnesota rates to those charged to South Dakota residents.

Regent Jewett asked that all comparable rates associated with professional schools and Minnesota be presented at a later date.

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to approve the Minnesota Reciprocity Rates for FY13 and to execute the Administrative Memo of Understanding. All voting AYE. The MOTION CARRIED. A copy of the FY13 Minnesota Reciprocity Rates can be found on pages **2703** to **2706** of the official minutes.

NEW FALL ENROLLMENT REPORTING

Dr. Paul Turman presented the proposed change to reporting as it relates to fall enrollment. He described the revised method for reporting student headcounts and full-time equivalents, whereby these measures are segmented by location and degree-seeking status.

Regents agreed this change to reporting is positive.

IT WAS MOVED by Regent Hansen, seconded by Regent Morris to approve the new format for major enrollment reports. All voting AYE. The MOTION CARRIED. A copy of the New Fall Enrollment Reporting can be found on pages 2712 to 2717 of the official minutes.

FY13 OPERATING BUDGETS

Claudean Hluchy, Budget Manager, presented a summary of each institution's operating budget and FTE by fund source and National Association of College and University Business Officers (NACUBO) program.

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to approve the FY13 operating budgets. All voting AYE. The MOTION CARRIED. A copy of the FY13 Operating Budgets can be found on pages 2718 to 2739 of the official minutes.

FY14 BUDGET REQUEST

Dr. Kramer summarized the FY13 Budget Request based on the priorities set by the Board during their discussion on August 8-9. He understood that the Board wants the AES request to be rewritten to make sure the item lines up with the needs of the commodity groups as well as identifies a return on investment. The board asked that a teleconference meeting be scheduled so the AES request could be reviewed to the satisfaction of the board.

IT WAS MOVED by Regent Morris, seconded by Regent Baloun to recommend the final FY14 Budget Request items for refinement and presentation to the Governor's Budget Office. All voting AYE. The MOTION CARRIED, subject to a telephonic meeting of the board to review the AES item.

A copy of the FY14 Budget Request can be found on pages 2740 to 2741 of the official minutes.

DSU PRESIDENTIAL SEARCH: REVISED SEARCH COMMITTEE AND TIMETABLE

Dr. Warner explained that at the meeting of May 16-17, the board approved the appointments of the presidential search committee. Since that time, committee member Dr. Margaret (Peg) O'Brien has resigned from her position on the committee due to personal reasons. With this vacancy, the nomination of Jesse Kane, DSU's Vice President for Student Affairs, has been brought forth to fill the position.

IT WAS MOVED by Regent Krogman, seconded by Regent Jewett to approve replacement of presidential search committee member Dr. Margaret (Peg) O'Brien with Jesse Kane, DSU Vice President for Student Affairs. All voting AYE. The MOTION CARRIED. A copy of DSU Presidential Search: Revised Search Committee and Timetable can be found on pages 2742 to 2744 of the official minutes.

ADJOURN

IT WAS MOVED by Regent Baloun, seconded by Regent Morris to adjourn the meeting of the Board of Regents on August 9 at 12:03 p.m. All members voting AYE. The MOTION CARRIED.

The South Dakota Board of Regents adjourned its planning session and regular business meeting on August 7-9 and will meet again in regular session in Vermillion, South Dakota.

I, Jack Warner, 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 August 7-9, 2012.

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

Jack Warner
Executive Director and CEO