

**BOARD OF REGENTS
MINUTES OF THE MEETING
March 28-29, 2012**

The South Dakota Board of Regents met on March 28-29, 2012 in the Walter A. Hack Activities Building at South Dakota School for the Blind and Visually Impaired, Aberdeen, 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; Michelle Anderson, Internal Auditor; Paul Turman, Associate Vice President for Academic Affairs; Daniel Palmer, Director of Institutional Research; Gary Johnson, System Vice President of Research; Paul Gough, Director of Policy and Planning; Janice Minder, 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, Accounting Manager; Molly Weisgram, Executive Administrative Assistant; James Abbott, USD; David Chicoine, SDSU; David Borofsky, DSU; Kay Schallenkamp, BHSU; James Smith, NSU; Robert Wharton, SDSMT; Marjorie Kaiser, SDBVI and SDSD; Mark Lee, UC-Sioux Falls; Anthony Sutton, Mark York, Daniel Vellek, Jameson Berreth, Laurie Nichols, Nicole Ackman, Mary Kay Helling, Wesley Tschetter, Jeff Siekmann, Mike Rauenhorst, Kaytlin Pelton, Chau Tran, SDSU; Matt Fuks, SDSU Alumni Association; DJ Smith, Alissa VanMeeteren, Laura Janski, Roberta Ambur, Chuck Staben, Sheila Gestring, Lynn Rogustad, Kurt Hackemer, USD; Rhoda Smith, Veronica Paulson, Thomas Hawley, Michael Newman, Terra Burley, Erin Fouberg, Sharon Parante, Zach Anderson, Rebecca Allen, NSU; Cecelia Wittmayer, Stacy Krusemark, DSU; R. Lee Ginsbach, SDSBVI-SDSD; Dustin Christensen, Andria Nguyen, Brittney Seitz, Kathy Johnson, Rod Custer, BHSU; Tim Henderson, Duane Hrcir, Spencer Ferguson, Brian Vogel, Anthony Amarasinghe, David LaPorte, Carlos Beatty Jr., SDSMT; Rory Fenske, Katie Wagner, Brett Monson, Shad Christman, SD Student Federation; Julie Johnson, Absolutely! Aberdeen; Loren Paul, SDEA; Liza Clark, Bureau of Finance and Management; students, faculty and members of the press.

TUESDAY, MARCH 27, 2012

The Regents convened in open session at 6:00 p.m. on Tuesday, March 27, 2012, in the NSU Harvey Jewett Conference Room of Spafford Hall at Northern State University.

IT WAS MOVED by Regent Hansen, seconded by Regent Morris that the Board of Regents Convene and Dissolve into Executive Session at 6:00 p.m. on Tuesday, March 27, 2012, 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, March 28, 2012, in order to discuss personnel matters; pending and prospective litigation, collective bargaining and contractual matters and to consult with legal counsel, and that it rise from executive session at 1:30 p.m. to resume the regular order of business and to report its deliberations in executive session. All members voting AYE. The MOTION CARRIED.

WEDNESDAY, MARCH 28, 2012

Regent President Kathryn Johnson called the meeting of the Board of Regents to order at 1:40 p.m. on March 28, 2012, and declared a quorum present.

WELCOME AND PRESENTATION BY NSU PRESIDENT JAMES SMITH AND SDSBVI SUPERINTENDENT MARJORIE KAISER

Superintendent Marjorie Kaiser welcomed the audience to the South Dakota School for the Blind and Visually Impaired and gave a summary of the work being done at SDSBVI. She introduced Kim Weisberg, new Director of Outreach. Ms. Weisberg explained activities related to the South Dakota School for the Deaf. President James Smith welcomed the Regents to Aberdeen. He introduced Erin Fouberg, Director of NSU Honors Program, as well as two honors students Terra Burley and Michael Newman. She along with the students gave an explanation of the honors program and the opportunities the program provides.

APPROVAL OF THE AGENDA

Dr. Warner referenced the following revised items: Item 18 – c New Site Request: NSU M.S.Ed. in Leadership and Administration, Online, and M.S.Ed. in Teaching and Learning, Online; Item 20 Base Budget Realignment Discussion; Item 25 FY13 Budget Summary; and Item 29 UC-SF Foundations Pilot Program.

IT WAS MOVED by Regent Jewett, seconded by Regent Krogman to approve the agenda for the meeting as printed and mailed. 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 January 25, 2012; December 15-16, 2011; and September 2, 2011 meetings. All members voting AYE. The MOTION CARRIED.

COMMENTS FROM INDIVIDUAL REGENTS

Regent Jewett said that March is a unique meeting, dealing with legislative business and tuition and fees. This is an important meeting for all constituencies involved.

REPORT AND ACTIONS OF EXECUTIVE SESSION

Upon convening at 6:00 p.m. on Tuesday, March 27, 2012, the Board dissolved into executive session in order to discuss personnel matters. As shown on the official agenda, it adjourned at 9:00 p.m. and reconvened in executive session at 8:00 a.m. on Wednesday, March 28, 2012, in order to discuss personnel matters; pending and prospective litigation, collective bargaining and 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 Schaefer reported that while in executive session, the Board considered personnel matters, pending and prospective litigation, 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 Morris 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 awarding an honorary Doctor of Science degree to Mr. John Ferriola (SDSMT); and an honorary Doctor of Public Service degree to Laurie Fulton and an honorary Bachelor of Science degree in Education and Human Sciences to Faye Tyler Wade (SDSU). A copy of the honorary degree resolutions can be found on pages _____ to _____ of the official minutes.
2. Approve awarding the title of Assistant Professor Emeritus in the College of Business and Natural Sciences to Verona Beguin; Professor Emeritus in the College of Liberal Arts to James Knutson; Professor Emeritus in the College of Education and Behavioral Sciences to Kristi Pearce (BHSU); Professor Emeritus of Business to Anthony Urbaniak (NSU); Professor Emeritus of Mechanical Engineering and Dean Emeritus to Wayne Krause (SDSMT); Assistant Professor Emeritus of Communication Studies and Theatre to Joel Hefling; Professor Emeritus of the SDSU Veterinary and Biomedical Sciences Department and the SD Agricultural Experiment Station to Duane Matthees; Professor Emeritus of Mathematics to G. Howard Nielsen; Professor Emeritus of Plant Science to Thomas Schumacher; Professor Emerita of the SDSU Veterinary and Biomedical Sciences Department and the SD Agricultural Experiment Station to Nancy Thiex; Professor Emeritus of Political Science to Gordon Tolle; Distinguished Professor to Dennis Helder (SDSU); Professor Emeritus to James Balakier; Vice President and Dean Emeritus to Rodney Parry; Professor Emeritus to Stephen Yarbrough; and a posthumous Doctor of Education Degree in Educational Administration (Adult Higher Education Specialization) to Mr. Shawn Winthers (USD). A copy of the honorary titles and awards resolutions can be found on pages _____ to _____ of the official minutes.

3. Approve the leave requests for Robert Campbell for the fall 2012 semester and Kent Meyers for the 2012-2013 academic year (BHSU); Todd Menkhaus for the 2012-2013 academic year (SDSMT); Yung Huh for the fall 2012 semester (SDSU); and for Gregory Huckabee for the 2012-2013 academic year (USD).
4. Approve SDSU's request to grant tenure to Dennis Papini, Dean of Arts and Sciences; Daniel Scholl, Associate Dean of the College of Agriculture and Biological Sciences and Ag Experiment Station Director; Rosie Nold, Extension Program Leader for Agriculture and Natural Resources; and Randy Brutkiewicz, Dean of the Graduate School at the time of their appointment.
5. 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.
6. Approve the administrative actions to accept the retirement of Dr. Gary Johnson, system Vice President of Research, effective June 21, 2012 and to approve the appointment of Dr. Paul Turman to the position of system Vice President for Research and Economic Development at an annualized salary of \$145,000 effective January 22, 2012; to approve the appointment of Dr. Janice Minder for the position of system Student Affairs Officer at an annualized salary of \$66,400 (0.80 FTE) effective March 22, 2012, at the end of the fiscal year she will transition to 0.50 FTE and her salary will be prorated to that appointment; to accept the appointment of Barbara Basel to the position of Human Resources Director at an annualized salary of \$83,000 effective April 2, 2012.

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 March 13 in Pierre where they discussed most of the items that appear on the agenda for this meeting. He said they discussed in particular focus performance funding, implications of the recent legislative session, tuition and fees, an innovative new program that the University Center – Sioux Falls has proposed as a pilot program, and strategies that institutions will use for the one-time payment that was recently authorized by the legislature.

REPORT FROM INDIVIDUAL PRESIDENTS AND SUPERINTENDENTS

Dr. Warner introduced David Borofsky, interim President at Dakota State University. President Smith introduced Northern State University's new Chief Financial Officer, Veronica Paulson.

REPORT AND ACTIONS OF THE EXECUTIVE DIRECTOR

Dr. Warner introduced Robert Wharton, President of South Dakota School of Mines and Technology, who has recently concluded a difficult last few months of cancer treatments and congratulated him on his clean bill of health.

Dr. Warner highlighted items on the meeting agenda of which the audience should make special note.

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 ____.

RESOLUTION TO RECOGNIZE GARY JOHNSON

Dr. Warner recognized Gary Johnson, Vice President for Research in the Board of Regents Central Office who is retiring.

Special Resolution

Whereas, Dr. Gary E. Johnson has served the South Dakota public university system as vice president of research from October 15, 2008, through June 21, 2012; and

Whereas, Dr. Johnson brought extensive experience in public- and private-sector research, as well as from the academic world, to his work for the Board of Regents; and

Whereas, he has worked diligently as the Board's point person on initiatives aimed at translating more university-based research into positive economic development for South Dakota; and

Whereas, under Dr. Johnson's leadership, public universities reported record levels of university research, with a 255 percent increase in research expenditures over the past decade and total expenditures exceeding \$120 million in the last fiscal year; and

Whereas, he guided efforts to support further development of research infrastructure in South Dakota through the Experimental Program to Stimulate Competitive Research, with EPSCoR awards in fiscal years 2010 and 2011 totaling nearly \$24.5 million; and

Whereas, Dr. Johnson championed the work of 11 specialized research centers, which have garnered \$24.6 million in state investment to date, with a \$179 million return on that investment and a \$258 million economic impact across the state; and

Whereas, throughout his service to the South Dakota Board of Regents, Dr. Johnson has worked with enthusiasm, insight, rigor, and persistence;

Now, therefore, be it resolved that it is the desire of the Board of Regents to applaud and recognize Dr. Johnson for his service, leadership, and vision; and

Be it further resolved that Dr. Gary E. Johnson be thanked for his outstanding contributions and dedication to public higher education and to South Dakota, and be it further ordered that a copy of this resolution be provided to Dr. Johnson.

Issued this 28th day of March, 2012.

STUDENT FEDERATION REPORT

Mr. Brett Monson, student federation executive director, reported that the federation has had a wonderful learning experience this school year and expressed his appreciation for the Board members who have made special effort to reach out and involve the students in the work of the Board.

Mr. Monson reported that the new executive director of the student federation was elected last evening at their meeting. Mr. Monson introduced Rory Fensky, South Dakota School of Mines and Technology, as the new executive director. Mr. Fensky introduced new members to the student federation:

Spencer Ferguson, SDSMT President
Anthony Amarasinghe, SDSMT Vice President
Alissa VanMeeteren, USD President
DJ Smith, USD Vice President
Zachary Anderson, NSU President
Kody Kyriss, NSU Vice President

Besides election of new officers, Mr. Fensky reported that at their March student federation meeting Dr. Sam Gingerich explained the proposed academic calendars and Dr. Monte Kramer broke down the tuition increases that are being proposed at this meeting. Mr. Fenske reported on SHED Days this legislative session. He expressed appreciation for staff and regents who have given students information on the legislative process and kept them informed on features of the agenda. He also recognized members of the federation and members from the Board of Regents central office who have helped them throughout the year.

Regent President Johnson expressed her appreciation for the work of the student federation. She said that the board knows the value of having a relationship with students. She said the work they do with legislative session is very important and re-educating students about needs such as salary competitiveness fee is invaluable.

EARLY ALERT VENDOR SELECTION

Dr. Paul Turman explained that that after an RFP process and vendor interviews, the Early Alert Vendor committee unanimously agreed that Starfish was the most desirable software solution for the Regental system. After due diligence of involving a smaller subset of the committee to ask more technical questions to address integration concerns, reference calling existing Starfish clients to address technical and integration issues, and including the system councils in the vendor selection process, the group agreed that Starfish was the correct choice.

The recommendation to select Starfish as the system vendor was discussed during the March 2012 Council of Presidents and Superintendents meeting and the campus representatives supported the recommendation. System staff is currently working with Starfish personnel to

finalize a contract and established an implementation timeline that would allow campuses to begin using the software tool as early as Fall 2012.

Discussion about whether all universities will adopt this system, the importance of student retention, and the potential impact of this tool. Dr. Turman said the success of this initiative would be evaluated by comparing first to second year retention as well as sophomore to junior student retention.

A copy of the Early Alert Vendor Selection can be found on pages ____ to ____ of the official minutes.

2012 SD OPPORTUNITY SCHOLARSHIP REPORT

Dr. Turman explained that the impact data depicted in the *2012 South Dakota Opportunity Scholarship Annual Report* continues to demonstrate the significant return on investment that the Opportunity Scholarship program has for South Dakota. More students are graduating prepared with the right curriculum to help ensure they are successful in their postsecondary experience, higher achieving students are remaining in the state, and a higher percentage remain in the state once they have obtained their degree.

He said the growth of the program, although the pool of high school graduates is decreasing, shows that more and more students are staying in state for college.

Dr. Turman expressed that as the program approaches its tenth year, the critical policy issue facing the state is the need to consider the scholarship's future buying power and whether the current \$5,000 will continue to provide the necessary incentives to students/parents as it did when the program was established during Governor Round's first year in office. When considering just the rate of inflation, it is important to note that the funding is now equivalent to roughly 80% of what it was when the program was established.

A copy of 2012 SD Opportunity Scholarship Report can be found on pages ____ to ____ of the official minutes.

2011 MOBILE COMPUTING REPORT

Dr. Turman explained that the *Mobile Computing Survey* is intended to serve as a tool for assessing the views of campus stakeholders (students and faculty) with respect to the general state of technology integration in the state's regental institutions.

Dr. Daniel Palmer said that the major findings suggest strong growth in mobile computing usage.

He said a few of the highlights include: 1) the majority of students (61.2%) regularly take their computer to class; this represents a dramatic jump from 2010 (43.9%); 2) Overall, 93.7% of students and 92.3% of faculty indicated feeling that classroom technologies "are used at about the right amount at my university" or "need to be used more at my university."; 3) Classroom accommodations are a concern to campus stakeholders. Asked to rate their campuses on a series

of computing quality measures, both students and faculty gave comparatively low marks for access to power and classroom desk space for laptops.

Regent Weber would like to see this survey's findings compared side-by-side with the campus's efforts being taken to alleviate these concerns, i.e. renovating classrooms, wireless maps, etc.

A copy of the item prepared for 2011 Mobile Computing Report can be found on pages ____ to ____ of the official minutes.

PROGRAM MODIFICATIONS TO MEET CREDIT HOUR LIMITS

Dr. Sam Gingerich, along with SDSU Provost Laurie Nickols and BHSU Provost Rod Custer, said that at the October 2011 meeting the Board established a 120 credit hour program requirement for baccalaureate degrees and a 60 credit hour requirement for associate degrees. In addition, the Board action established that the campuses needed to complete the curricular changes that this would require by June 30 (June Board meeting).

Dr. Gingerich said that the institutions engaged in an intensive review of all undergraduate programs offered. Program requirements were discussed and revised to meet the credit hour limits established in policy. In addition, exceptions to the 60/120 credit hour requirement were submitted for a small set of programs. This set of exceptions has been approved by the Executive Director as permitted by policy. Even though exceptions were granted, the requirements of this set of programs were also revised and fewer credit hours are now required.

He said the campuses are to be commended for their work. It is clear that the Presidents and Provosts/VPAA's communicated the importance of this process. The academic affairs leadership team on each campus established processes that managed the work flow. More importantly, campus leadership also took the steps needed to engage faculty at the disciplinary level and at the governance level to get this done.

Dr. Custer reported that the process went very well at BHSU. Dr. Nickols said that at SDSU they combined two processes; they reviewed the institutional graduation requirements at the same time freeing up three credits for every program. She agreed that the process went quite well.

Dr. Gingerich and the Provosts fielded questions related to the process of reducing credits and how this change will be communicated to students.

IT WAS MOVED by Regent Hansen, seconded by Regent Weber to approve the proposed curricular changes to each of the programs listed in the attachments. All voting AYE. The MOTION CARRIED.

A copy of the item prepared for Program Modifications to Meet Credit Hour Limits can be found on pages ____ to ____ of the official minutes.

BOR 2:7 AND 2:26 – GENERAL EDUCATION REVISIONS

Dr. Gingerich said South Dakota State University and the University of South Dakota request approval for the following changes to the lists of approved courses that fulfill components of the general education requirements. These changes are included in revisions to BOR policy 2:7 and 2:26. While these typically are forwarded for Board consideration once each year in December, this set is tied to the universities' effort to reduce graduation requirements to 120 hours for baccalaureate programs.

IT WAS MOVED by Regent Baloun, seconded by Regent Morris to approve the revisions to BOR policies 2:7 and 2:26 to reflect the proposed revisions to SDSU and USD's general education and institutional graduation requirements. All voting AYE. The MOTION CARRIED.

A copy of BOR Policy 2:7 and 2:26 – General Education Revisions can be found on pages ____ to ____ of the official minutes.

BOR POLICY 4:34 INTELLECTUAL PROPERTY POLICY REVISION

Dr. Shekleton commented that the intellectual properties policy, though dry and arcane, provides that lynchpin that enables the Board to move research results from the laboratory bench to the market place. Dr. Shekleton explained that the proposed revisions to Board Policy No. 4:34 represent the fruit of a process spanning two years, with a particularly intense review over the past four months.

At its December 15-16, 2011 meeting, the Board imposed Interim Terms and Conditions of Employment on the bargaining unit. Its motion at that time directed that recommendations for revisions to Board Policy No. 4:34 Intellectual Property, be submitted to it at its March 2012 meeting.

Each member of the Board's full-time faculty and professional staff was invited individually to comment on the draft policy. A special website was created to enable faculty or staff members to review the proposed text and accompanying explanatory statements and to post comments, anonymously if the poster so desired, section by section. Eighteen faculty members submitted comments during the five week period allowed for comments, December 16, 2011 through January 20, 2012.

After the close of the comment period, the senior research officer at each institution convened a public forum to discuss the proposed policy and any comments that members of the faculty of the institution may have posted, and to elicit any further recommendations.

Prior to the institutional fora, arrangements were made for a series of three presentations by a patent attorney with substantial experience working with higher education clients to explain the implications of the 2011 amendments to the Patent Act and to note how the proposed IP policy would accommodate shifting requirements.

The proposed policy highlights the changes that were made in response to the individual and collective faculty comments that were elicited between December 16, 2011 and February 17, 2012. The proposed changes were circulated to the Research Affairs Council and the Academic Affairs Council and come to you with the support of the respective councils.

Dr. Shekleton indicated that most of the changes involved matters of style and form. He then highlighted four significant, substantive policy changes.

First, the new policy accommodated recent court decisions that upholding agreements to assign future interests in patentable inventions. Dr. Shekleton explained that clauses requiring such assignments are increasingly common and that the practices required under the revised policy will help to protect institutional and researcher interests by forcing third parties to deal with institutional representatives.

Second, the new policy accommodates requirements of the Leahy-Smith America Invents Act of 2011, which replaced the traditional American first-to-invent patent system with a first-inventor-to-file system, similar to that used in other countries, and which expanded the definition prior art. As with changes involving assignment of future interests, these changes would not preclude customary exchanges, but would help to assure that authors, creators and inventors cooperate with administrators in order to avoid inadvertent loss of property rights.

Third, the revised policy emphasizes cooperative approaches to identifying and evaluating the commercial potential of intellectual properties and to marketing opportunities of potentially valuable properties.

Fourth, the revised policy extends the obligations and rights of the policy for the first to students who are not also employees. Students who seek permission to participate in externally funded research or to participate in faculty research that involves the use of existing intellectual properties will be required to execute agreements to assign intellectual properties before being allowed access to the research. This measure will assure that the Board will obtain ownership of research results and, thus, be able to meet its obligations to research sponsors and to faculty researchers.

Dr. Shekleton fielded questions related to allocation of a portion of revenues arising from licensure of intellectual properties to support the organizational units that generated the revenues and to further research or research-related educational activities. These measures serve to document in policy compliance with the requirements of the Bayh-Dole Act of 1980.

IT WAS MOVED by Regent Morris, seconded by Regent Baloun to approve the proposed revisions to BOR policy 4:34 Intellectual Property. All voting AYE. The MOTION CARRIED.

A copy of BOR Policy 4:34 Intellectual Property Policy Revision can be found on pages ____ to ____ of the official minutes.

NEW PROGRAMS

DSU Minor in Health Information Management

Dr. Paul Gough explained that Dakota State University has submitted a proposal for a baccalaureate minor in Health Information Management. The University has a B.S. in Health Information Administration. DSU does not request any new resources. The courses are offered now for other programs.

DSU notes that graduates of several baccalaureate programs have career opportunities in the healthcare industry. The minor will provide a background in health information management and make graduates more attractive to employers.

IT WAS MOVED by Regent Baloun, seconded by Regent Krogman to approve Dakota State University's proposal for a Minor in Health Information Management.

A copy of DSU Minor in Health Information Management can be found on pages _____ to _____ of the official minutes.

NSU M.S. in Banking and Financial Services

Dr. Gough said Northern State University requests authorization to offer an M.S. in Banking and Financial Services. An M.S. in Banking and Financial Services is within the statutory (SDCL 13-59-1) and Board policy missions of the University (*Board Policy 1:10:6 Northern State University*). The University offers associate and baccalaureate degrees in Banking and Financial Services.

The program will be supported with existing resources and self-support tuition revenue. Northern does not request any new State resources or additional student fees to implement the program. NSU does not request any exceptions to Board policy.

The program would prepare people for careers in the banking and financial services industry and provide professional development for bank employees. The University consulted with banking industry leaders during development of the curriculum.

The University requests authorization to deliver the program using distance technology so that people can pursue the degree part-time while employed.

NSU Provost Tom Hawley acknowledged banking leaders of South Dakota. He said without them this program would not be possible for students.

IT WAS MOVED by Regent Baloun, seconded by Regent Krogman to approve Northern State University's proposal for a M.S. in Banking and Financial Services and to deliver the M.S. in Banking and Financial Services using distance technology.

A copy of NSU M.S. in Banking and Financial Services can be found on pages _____ to _____ of the official minutes.

NEW SITE REQUESTS

NSU B.A. in International Business Studies, Online

Northern State University requests authorization to offer the B.A. in International Business Studies using the Internet.

The University does not request new State resources or new or increased student fees to support online delivery. Self-support tuition will provide the resources needed to offer the courses online.

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to approve Northern State University's proposal to deliver the B.A. in International Business Studies online.

A copy of NSU B.A. in International Business Studies, Online can be found on pages ____ to ____ of the official minutes.

NSU M.S.Ed. in Instructional Design in E-learning & M.S.Ed. in Training and Development in E-learning, Internet

Northern State University requests authorization to offer the M.S.Ed. in Instructional Design in E-learning and the M.S. in Training and Development in E-learning online. Offering these programs online will contribute to the development of the K-12 education workforce in South Dakota. Teachers in remote school districts will be able to earn a master's degree while remaining employed and without commuting to Aberdeen.

The University does not request new State resources or new or increased student fees to support online delivery. Self-support tuition will provide the resources needed to offer the courses online.

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to approve Northern State University's proposal to deliver the M.S.Ed. in Instructional Design in E-learning & M.S.Ed. in Training and Development in E-learning, Internet.

A copy of NSU M.S.Ed. in Instructional Design in E-learning & M.S.Ed. in Training and Development in E-learning, Internet can be found on pages ____ to ____ of the official minutes.

NSU M.S.Ed. in Leadership and Administration & M.S.Ed. in Teaching and Learning, Internet

Northern State University requests authorization to offer the M.S.Ed. in Leadership and Administration and the M.S.Ed. in Teaching and Learning online. Offering these programs online will contribute to the development of the K-12 education workforce in South Dakota. Teachers in remote school districts will be able to earn a master's degree while remaining employed and without commuting to Aberdeen.

The University does not request new State resources or new or increased student fees to support

online delivery. Self-support tuition will provide the resources needed to offer the courses online.

Northern notes that the M.S.Ed. in Leadership and Administration meets South Dakota requirements for preschool through high school principals. Graduates will also need experience to qualify for licensure as school principals. The M.S.Ed. in Teaching and Learning meets the standards set by the National Board for Professional Teaching Standards. Graduates will be prepared to lead and mentor in their school districts.

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to approve Northern State University's proposal to deliver the M.S.Ed. in Leadership and Administration as well as the M.S.Ed. in Teaching and Learning online.

A copy of NSU M.S.Ed. in Leadership and Administration & M.S.Ed. in Teaching and Learning, Internet can be found on pages _____ to _____ of the official minutes.

WICHE WESTERN REGIONAL GRADUATE PROGRAM: SDSU M.S. IN CHEMISTRY – CHEMISTRY EDUCATION SPECIALIZATION

Dr. Gough explained that the Western Interstate Commission for Higher Education (WICHE) operates the Western Regional Graduate Program (WRGP). The WRGP includes master's and doctoral degree programs that are of demonstrated quality and not widely available in the WICHE region. Students from the WICHE states seeking degrees in these programs pay resident tuition rates. WICHE invites universities to nominate programs. This year one program was nominated from South Dakota. South Dakota State University nominated the M.S. in Chemistry – Chemistry Education Specialization.

Following the WICHE review process, the program was approved for the Western Regional Graduate Program. SDSU requests that the Board authorize it to charge residents of the WICHE states seeking the M.S. in Chemistry – Chemistry Education Specialization the resident graduate tuition rate for state-support courses. This would be a reduction from the non-resident rate to the resident rate for students who do not have an assistantship.

Graduate assistants (with the minimum stipend) would continue to pay the lower graduate assistant tuition rate (Policy 5:22 Graduate Assistants and Fellows).

IT WAS MOVED by Regent Hansen, seconded by Regent Baloun to authorize South Dakota State University to charge the resident graduate tuition rate to residents of WICHE member states who are seeking the M.S. in Chemistry – Chemistry Education Specialization with the enrollments and credit hours to be included in the tuition reduction reports provided to the Board.

A copy of WICHE Western Regional Graduate Program: SDSU M.S. in Chemistry – Chemistry Education Specialization can be found on pages _____ to _____ of the official minutes.

BASE BUDGET REALIGNMENT DISCUSSION

Dr. Monte Kramer said that this revised item is a culmination of two years of effort: University Managed Resources and discussion/ review of base budgets at the August retreat.

He said when the Board approved University Managed Resources it was agreed that a continued review of base budgets was needed. The Board discussed this at length at the Retreat in August. In addition to looking at funding per student FTE, the Board also looked at a formula model that looked at each of the NACUBO programs to identify the total funding need for each campus as well as total revenue available. The Board identified three tools available to address any inequities in the system: 1) increasing tuition, 2) approving program fees, and 3) realignment of the base.

The tuition and fee items to be considered by the Board as part of the March agenda will include consideration of differential tuition and a couple of new program fees. Approval of these items will start to align cost of programs with the dollars charged to students. In addition to addressing funding shortfalls, the Board is being asked to consider a proposal to realign base budgets to address identified funding inequities within the system. This realignment is focused on the state dollars provided to each institution and not the dollars generated by student tuition and fees.

When looking at the general funds appropriated to each institution and the resulting state funds per student based on the fall 2011 headcount and FTE figures, it is obvious that that the general funds appropriated to BHSU are the lowest in the system. Taking a broader view and looking at total enrollments and including self-support tuition and all student fees, the funding differences are even more noticeable. BHSU funding levels fall below the system average by \$2,503.54 per student FTE.

Dr. Kramer said that these simple calculations regarding funding per student ignores a number of variables that influence cost. Those variables include the type of institution and the associated cost to attract and retain faculty, the difference in the cost of programs offered at each of the schools, the amount of research investment, or economies of scale. The Board has also looked at funding models that do consider these factors with very similar funding outcomes. The models are very complex and to date the Board has not adopted the formula models.

Dr. Kramer said there are two options that focus on bringing BHSU more in-line with the other institutions. The first option is to move general funds based on the proportion of general funds. The second option simply moves \$100,000 from each school to BHSU. Option two better aligns with the funding per FTE analysis, taking fewer dollars from SDSU, which is the second lowest funded institution.

If the realignment is approved, it will be part of the budget transfers taken to the Interim Appropriations Committee for approval.

Dr. Kramer fielded questions from the regents regarding the two proposed options. Discussion about taking money from the other most underfunded schools.

The item will be deferred until the following day, continuing discussion on item 27.

A copy of Base Budget Realignment Discussion can be found on pages _____ to _____ of the official minutes.

PERFORMANCE FUNDING MODEL

Deferred to the following day.

THURSDAY, MARCH 28, 2012

Regent President Johnson called the meeting of the Board to order at 9:45 a.m.

REPORT AND ACTIONS OF THE COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS

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

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.

SDSMT Program Review

The Committee received program review reports from SDSMT. No action required. A copy of the SDSMT Program Review can be found on pages ____ to ____ of the official minutes.

Notice of Accreditation - DSU

The Committee received a notice of accreditation from the HLC for continuing accreditation for DSU. No action required. A copy of the Notice of Accreditation - DSU can be found on pages ____ to ____ of the official minutes.

CONSENT CALENDAR

Terminal Degree Update

Approve NSU's request to update the terminal degree table for the Accounting discipline to add Ed.D. with CPA and J.D. with CPA and SDSU's request to add the Architecture discipline with the terminal degrees M.Arch, D.Arch, MS in Architectural Design (coupled with a Bachelor in Architecture), and Doctor of Design (coupled with a B.Arch or M.Arch). It was moved by Regent Johnson, seconded by Regent Hansen, to approve this Terminal Degree Update. Motion passed. A copy of the Terminal Degree Update can be found on pages ____ to ____ of the official minutes.

Request to Seek Accreditation – NSU

Approve NSU's request to seek accreditation from CACREP for the School of Counseling and Clinical Mental Health Counseling program and accreditation from ACBSP for Accounting, School of Business, BS; Banking and Financial Services, School of Business, BS, AS; Business Administration, School of Business, BS, AS; Economics, School of Business, BS; Finance, School of Business, BS; Management, School of Business, BS; Management Information Systems, School of Business, BS, AS; Marketing, School of Business, BS; Professional Accountancy, School of Business, BS; International Business Studies, School of Business and School of Arts and Sciences, BA programs. It was moved by Regent Hansen, seconded by Regent Johnson, to approve this request to seek accreditation. Motion passed. A copy of the Request to Seek Accreditation – NSU can be found on pages ____ to ____ of the official minutes.

Program Modifications – BHSU

Approve BHSU's program modification proposals for the BA in Spanish, BSEd in Spanish, Minor in Spanish, and Minor in Spanish Education programs. A copy of the Program Modifications – BHSU can be found on pages ____ to ____ of the official minutes.

Program Modifications - DSU

Approve DSU's program modification proposal for the MS in Information Systems, Electronic Commerce specialization. A copy of the Program Modifications – DSU can be found on pages ____ to ____ of the official minutes.

Program Modifications - NSU

Approve NSU's program modification to the Elementary Education Science minor. A copy of the Program Modifications – NSU can be found on pages ____ to ____ of the official minutes.

Program Modifications - SDSMT

Approve SDSMT's program modifications for their MS in Robotics and Intelligent Autonomous Systems, MS in Construction Management, and the MS in Civil Engineering programs. A copy of the Program Modification – SDSMT can be found on pages ____ to ____ of the official minutes.

It was moved by Regent Johnson, seconded by Regent Hansen, to approve the Program Modifications for BHSU, DSU, NSU, and SDSMT referred to in Agenda Items II-C (1), (2), (3), and (4). Motion passed.

Program Termination/Inactive Status - DSU

Approve DSU's request to terminate the Associate of Science in Applications Programming effective July 1, 2012. A copy of the Program Terminations/Inactive Status – DSU can be found on pages ____ to ____ of the official minutes.

Program Termination/Inactive Status - SDSMT

Approve SDSMT's request to terminate the BS in Environmental Engineering program effective Fall 2016. A copy of the Program Terminations/Inactive Status – SDSMT can be found on pages ____ to ____ of the official minutes.

Program Termination/Inactive Status - SDSU

Approve SDSU's request to place the Aviation-Aviation Management Specialization on inactive status; to terminate the Business Minor; Dairy Manufacturing-Business Specialization; Dairy Manufacturing-Science Specialization; Dairy Production-Business Specialization; Dairy Production-Science Specialization; Early Childhood Education-BHSU Cooperative Agreement; Early Childhood Education-USD Cooperative Agreement; Parks and Recreation Management-Recreation Administration Specialization programs. A copy of the Program Termination/Inactive Status – SDSU can be found on pages ____ to ____ of the official minutes.

It was moved by Regent Jewett, seconded by Regent Johnson, to approve Program Termination/Inactive Status for DSU, SDSMT, and SDSU listed in Agenda Items II D(1), (2), and (3). Motion passed.

Cooperative Agreements – USD and Multiple Institutions

Approve the agreements between USD and the University of Glamorgan, United Kingdom; Samara State University, Russia; and the Learning Abroad Center at the University of Minnesota. A copy of the Cooperative Agreements – USD and Multiple Institutions can be found on pages ____ to ____ of the official minutes.

Cooperative Agreements – DSU and Magellan Exchange

Approve the cooperative agreement between DSU and the Magellan Exchange. A copy of the Cooperative Agreements – DSU and Magellan Exchange can be found on pages ____ to ____ of the official minutes.

Cooperative Agreements – SDSMT and National Cheng Kung University, Taiwan

Approve the cooperative agreement between SDSMT and the Faculty of the Department of Earth Science, National Cheng Kung University, Taiwan. A copy of the Cooperative Agreements – SDSMT and National Cheng Kung University, Taiwan can be found on pages ____ to ____ of the official minutes.

Cooperative Agreements – NSU and Dankook University, Korea

Approve the agreement between NSU and Dankook University, Korea. A copy of the Cooperative Agreements – NSU and Dankook University, Korea can be found on pages ____ to ____ of the official minutes.

It was moved by Regent Hansen, seconded by Regent Johnson, to approve the Cooperative Agreements for USD, DSU, SDSMT, and NSU listed in Items II E (1), (2), (3), and (4). Motion passed. The Board staff was directed to provide data on the number of student participants under each exchange agreement.

Resolutions of Recognition

Recognize James Knutson as the Black Hills State University Distinguished Faculty Honoree (BHSU); Bob Olson (NSU) for years of dedicated service; and Candice Lee and Kathryn Prouse (SDSBVI) for their years of dedicated service to the public higher education system of South Dakota. It was moved by Regent Jewett, seconded by Regent Hansen, to approve these Resolutions of Recognition. Motion passed. A copy of the Resolutions of Recognition can be found on pages ____ to ____ of the official minutes.

Student Organization Award Winners for 2011

Accept the recommendations offered by each institution and announce the names of the award winners.

It was moved by Regent Jewett, seconded by Regent Hansen, to approve the items presented on the consent agenda. A copy of the Student Organization Award Winners for 2011 can be found on pages ____ to ____ of the official minutes.

SUBSTANTIVE ITEMS

Academic Calendars 2013-14 to 2019-20 – Universities

It was moved by Regent Johnson, seconded by Regent Jewett, to approve the proposed calendars covering the years 2013-14 to 2019-20. Motion passed with a 3-1 vote. A copy of the Academic Calendars 2013-14 to 2019-20 – Universities can be found on pages ____ to ____ of the official minutes.

Academic Calendars – Special Schools

It was moved by Regent Jewett, seconded by Regent Hansen, to approve the proposed calendars for the South Dakota School for the Deaf and the South Dakota School for the Blind and Visually Impaired. Motion passed. A copy of the Academic Calendars – Special Schools can be found on pages ____ to ____ of the official minutes.

New Certificate Request – DSU, Information Assurance, Ethical Hacking Certificate

It was moved by Regent Hansen, seconded by Regent Johnson to approve DSU's request for Information Assurance, Ethical Hacking Certificate. Motion passed. A copy of the New Certificate Request – DSU, Information Assurance, Ethical Hacking Certificate can be found on pages ____ to ____ of the official minutes.

New Certificate Request – BHSU, Graduate Certificate in Crisis Leadership & Emergency Management (CLEM)

It was moved by Regent Hansen, seconded by Regent Johnson to approve BHSU's proposal for a Graduate Certificate in Crisis Leadership and Emergency Management (CLEM). Motion passed. A copy of the New Certificate Request – BHSU, Graduate Certificate in Crisis Leadership & Emergency Management (CLEM) can be found on pages ____ to ____ of the official minutes.

New Certificate – NSU, Biotechnology Certificate

It was moved by Regent Hansen, seconded by Regent Johnson to approve NSU's request for a Biotechnology Certificate. Motion passed. A copy of the New Certificate – NSU, Biotechnology Certificate can be found on pages ____ to ____ of the official minutes.

New Certificate Proposal – SDSU, Clinical Nurse Leadership

It was moved by Regent Hansen, seconded by Regent Johnson, to approve SDSU's proposal for a Clinical Nurse Leadership certificate. Motion passed. A copy of the New Certificate Proposal – SDSU, Clinical Nurse Leadership can be found on pages ____ to ____ of the official minutes.

2010-2011 Teacher Education Accountability Report

The Committee was provided with the Teacher Education Accountability Report. No action required. A copy of the 2010-2011 Teacher Education Accountability Report can be found on pages ____ to ____ of the official minutes.

In-State Placement of Regental Teacher Education Graduates

The Committee was provided with the results of an analysis of in-state teacher placement. No action required. A copy of the In-State Placement of Regental Teacher Education Graduates can be found on pages ____ to ____ of the official minutes.

2011 SDBOR Survey of Veteran Students Report

The Committee was provided with the *Survey of Veteran Students* report. No action required. A copy of the 2011 SDBOR *Survey of Veteran Students Report* can be found on pages ____ to ____ of the official minutes.

Program Reactivation – SDSU

It was moved by Regent Johnson, seconded by Regent Jewett to approve SDSU's request to reactivate the Bachelor of Science in Electronic Engineering Technology program effective immediately. Motion passed. A copy of the Program Reactivation – SDSU can be found on pages ____ to ____ of the official minutes.

EXECUTIVE SESSION

It was moved by Regent Johnson, seconded by Regent Hansen, to go into Executive Session. Motion passed.

System Scholarship Awards

It was moved by Regent Johnson, seconded by Regent Jewett, to accept the System Scholarship Committee's recommended recipients for the 2012-2013 Fowler, Haines, Scarborough, and Bjugstad scholarships. Motion passed. A copy of the System Scholarship Awards can be found on pages ____ to ____ of the official minutes.

Full Report

IT WAS MOVED by Regent Schaefer, seconded by Regent Hansen 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 Morris presented the report and actions of the Committee on Budget and Finance as follows:

A Institutional Items of Information

The Committee received the Institutional Items of Information from BHSU, DSU, NSU, SDSMT, SDSU, USD, SDSBVI, and SDSD. No action required. A copy of the Institutional Items of Information can be found on pages ____ to ____ of the official minutes.

Capital Project List

The Committee received the Capital Project List that identifies 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. The list includes the Board's second ten-year Capital Plan which was approved by the 2005 Legislature, and the Science and Laboratory facilities approved by the 2008 Legislature. Information only. A copy of the Capital Project List can be found on pages ____ to ____ of the official minutes.

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 BHSU Central Plant Upgrades infrastructure project approved the design for the project and to put the project out to bid; the Building Committee for the BHSU Central Plant Upgrades infrastructure project accepted the base bid and alternates 3 (Jonas Chiller) and 4 (Second Main Boiler) from Wolffs Plumbing & Heating and revised the budget to a new total of \$3,383,275; the Building Committee for the SDSU Boiler Replacement Central Heating Plant Upgrades voted to accept the base bid and alternates 2-7 from Midwestern Mechanical; the Building Committee for the SDSU New Southeast (SE) Living Community project approved the GMP presented by Sioux Falls Construction Inc. and to let the project out to bid; the Building Committee for the USD Muenster Center Expansion approved the Facility Program Plan and to move forward with a construction manager at-risk method of building; the Building Committee for the SDSU Student Union and Hansen Hall Dining Expansion voted to accept the GMP presented by Henry Carlson; the Building Committee for the USD Delzell Infrastructure Upgrades approved the Facility Design Plan for the project; the Building Committee for the BHSU New Residence Hall voted to select Williams & Associates/DLR Group to design the project; the Building Committee for the SDSU Aviation Project will meet (after the Board items are prepared and posted) to provide an update on the outcome of the purchase as well as to review the remodeling plans to make the building useful (ADA and simulation lab). Information only. A copy of the Building Committee Report can be found on pages ____ to ____ of the official minutes.

Spring 2012 Tuition Reduction Programs

The Fall 2011 Tuition Reduction Programs, both approved by the board and the Legislature, were summarized for the committee. Information only. A copy of the Spring 2012 Tuition Reduction Programs can be found on pages ____ to ____ of the official minutes.

Tuition Credit Hour Projections

The Tuition Credit Hour Projections and revenue estimates were summarized for the committee in order to give the Board an opportunity to see how the projected hours and revenues are aligning with the campus' budgets. Information only. A copy of the Tuition Credit Hour Projections can be found on pages ____ to ____ of the official minutes.

FY12 General Bill Amendment

The FY12 General Bill Amendment was summarized for the committee. Information only. A copy of the FY12 General Bill Amendment can be found on pages ____ to ____ of the official minutes.

SDSU Beef Barn Hay Storage – Fire Claim Update

The SDSU Beef Barn Hay Storage – Fire Claim Update was summarized for the committee. Information only. A copy of the SDSU Beef Barn Hay Storage – Fire Claim Update can be found on pages ____ to ____ of the official minutes.

Audit of the Housing and Auxiliary Facilities System

The Audit of the Housing and Auxiliary Facilities System was summarized for the committee. Information only. A copy of the Audit of the Housing and Auxiliary Facilities System can be found on pages ____ to ____ of the official minutes.

CONSENT CALENDAR

Regent Krogman asked the members if they would consider moving Items III – B, III – D, III – E, III – F, III – G, and III – H to the consent calendar. The members agreed to move the items to the consent calendar.

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

SDSU Request to Purchase Property

Authorize South Dakota State University to expend, from the Series 2011 revenue bond proceeds, a sum not to exceed \$3,600,000 to purchase the following described property for inclusion in its revenue projects:

The East Forty Feet (E 40') of Lots One (1) and Two (2) in Block One (1) of Thornbers Addition to the City of Brookings, Brookings County, South Dakota; and The West One Hundred Twenty-five Feet (W 125') of Lots One (1) and Two (2) in Block One (1) of Thornbers Addition to the City of Brookings, Brookings County, South Dakota, with a street address of 704 12th Avenue, Brookings, SD 57006.

Lot "B", except the South One Foot (S 1') thereof of Lot Four (4), Block Thirteen (13) of the Subdivision of the Morehouse Addition to the City of Brookings, Brookings County, South Dakota, with a street address of 910 11th Street, Brookings, SD 57006.

The West Fifty Feet (W 50') of the North Sixty Feet (N 60') of A, Lot Four (4) of Block Thirteen (13) of Morehouse Addition to the City of Brookings, Brookings County, South Dakota, with a street address of 1048 9th Avenue, Brookings, SD 57006.

The East Forty-nine and One-half Feet (E 49.5') of the North Sixty Feet (N 60') of L. "A", Lot Four (4) of Block Thirteen (13) of Morehouse Addition to the City of Brookings, Brookings County, South Dakota, with a street address of 904 11th Street, Brookings, SD 57006.

Authorize SDSU to expend from its revenue system funds sums estimated to reach \$15,000 to cover incidental costs arising from the property purchase, demolition, and site preparation.

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

SDSMT Proposed Amendment to Lease Agreement with SDSMT Foundation

Ratify South Dakota School of Mines and Technology's one-year extension through June 30, 2012, its agreement with the SDSMT Foundation for student housing known as the LaCroix Apartments, Park Vista Apartments; and Kelley Apartments in Rapid City, SD, and authorize SDSMT to extend the lease for an additional one-year term, through June 30, 2013, consistent with the provisions of Attachment III to the item. A copy of the SDSMT Proposed Amendment to Lease Agreement with SDSMT Foundation can be found on pages ____ to ____ of the official minutes.

FY12 M&R Fee Projects

Approve SDSU's request to repair and replace the parking lot east of the University Student Union at an estimated cost of \$686,000. Funding for this project will come from parking and traffic revenue funds. A copy of the FY12 M&R Fee Projects can be found on pages ____ to ____ of the official minutes.

FY12 M&R Institutional Projects

Approve SDSU's request to replace movable platform and bleacher seating in Frost Arena at an estimated cost of \$285,000. Funding for this project will come from athletic ticket sales revenue funds.

Approve SDSU's request to install shelving, update lighting and electrical in the Briggs Library at an estimated cost of \$112,000. Funding for this project will come from donations guaranteed by the SDSU Foundation.

A copy of the FY12 M&R Institutional Projects can be found on pages ____ to ____ of the official minutes.

HEFF M&R Project Updates

Approve SDSU's request to repair doors, walls, overhead doors, and insulation in the Physical Plant Shops in the amount of \$464,648.42. Funding for this project will come from residual funds of previously approved HEFF projects.

Approve SDSU's request to replace the HVAC System in the Animal Science Arena at an estimated cost of \$340,000. Funding for this project will come from residual funds of previously approved HEFF projects along with arena rent revenue funds and discipline fees.

Approve the Executive Director's emergency authorization to replace the air handling unit in SDSU's Pugsley Continuing Education Center at an estimated cost of \$80,000. Funding for this project will come from residual funds of previously approved HEFF projects.

Approve the Executive Director's emergency authorization to replace leaking, decaying windows in SDSU's Scobey Hall at an estimated cost of \$200,000. Funding for this project will come from residual funds of previously approved HEFF projects.

Approve USD's request to upgrade the infrastructure in Patterson Hall at an estimated cost of \$50,000. Funding for this project will come from residual funds of previously approved HEFF projects.

A copy of the HEFF M&R Project Updates can be found on pages ____ to ____ of the official minutes.

NSU Johnson Fine Arts Center Renovation & Addition Preliminary Facility Statement

Approve NSU's Preliminary Facility Statement to begin planning for renovation and addition to the Johnson Fine Arts Center at a current estimated cost of \$7,750,000. Funding for this project will come from the issuance of HEFF Bonds during calendar year 2014 or 2020 along with private funds. Funding for the development of a Facility Program Plan will come from private fundraising. If approved, the Board President should appoint a building committee to oversee the development of the project. All voted AYE. The MOTION CARRIED. A copy of the NSU Johnson Fine Arts Center Renovation & Addition Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes. A copy of the NSU Johnson Fine Arts Center Renovation & Addition Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

SDSU Architecture, Mathematics & Engineering Building Preliminary Facility Statement

Approve SDSU's Preliminary Facility Statement to plan for construction of a new Architecture, Mathematics, and Engineering Building at an estimated cost of \$17,082,800. Approval of this request will allow SDSU to move forward with this project's Facility Program Plan. Funding for this project will come from HEFF bond funds intended to be issued in calendar year 2014 or 2020 along with private funds. If approved, the Board President should appoint a building committee to oversee the development of the project. All voted AYE. The MOTION CARRIED. A copy of the SDSU Architecture, Mathematics & Engineering Building Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes. A copy of the SDSU Architecture, Mathematics & Engineering Building Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

SDSU New Headhouse And Greenhouse Preliminary Facility Statement

Approve SDSU's Preliminary Facility Statement to complete the planning to construct replacement space for the West Headhouse and Greenhouses at an estimated cost of \$3,785,000. Funding for this project will come from \$1,000,000 in HEFF bonds to be issued in either calendar year 2014 or 2020 as well as \$2,785,000 from private gifts, Plant Science service fees, and Foundation Seed Stock funds. If approved, the Board President should appoint a building committee to oversee the development of the project. All voted AYE. The MOTION CARRIED. A copy of the SDSU New Headhouse and Greenhouse Preliminary Facility Statement can be

found on pages ____ to ____ of the official minutes. A copy of the SDSU New Headhouse and Greenhouse Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

SDSU Utility Repairs And Upgrades – Water, Sanitary Sewer, Storm Sewer Preliminary Facility Statement

Approve SDSU’s Preliminary Facility Statement to plan for utility repairs and upgrades to the sanitary sewer, storm sewer, and water distribution system at an estimated cost of \$10,043,000. Funding for this project will include \$5,000,000 in HEFF bonds intended to be issued in calendar year 2014 or 2020 along with \$5,043,000 in HEFF M&R funding. If approved, the Board President should appoint a building committee to oversee the development of the project. All voted AYE. The MOTION CARRIED. A copy of the SDSU Utility Repairs and Upgrades – Water, Sanitary Sewer, Storm Sewer Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

SDSU Utility Tunnel, Steam/Condensate Infrastructure Repair And Modernization And Supplemental Plant Building Preliminary Facility Statement

Approve SDSU’s Preliminary Facility Statement to plan for construction of a supplemental heating and cooling plant and extension of the north utility tunnel at an estimated cost of \$13,320,000. Funding for this project will include \$7,000,000 in HEFF bonds intended to be issued in calendar year 2014 or 2020 along with \$6,320,000 in HEFF M&R funding. If approved, the Board President should appoint a building committee to oversee the development of the project. All voted AYE. The MOTION CARRIED. A copy of the SDSU Utility Tunnel, Steam/Condensate Infrastructure Repair and Modernization and Supplemental Plant Building Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

SDSU New Cow/Calf Research And Education Unit Preliminary Facility Statement

Approve SDSU’s Preliminary Facility Statement to plan for construction of a new Cow-Calf Research and Education Unit-Volga at an estimated cost of \$3,706,000. Approval of this request will allow SDSU to move forward with this project’s Facility Program Plan. Funding for this project will include \$900,000 in HEFF bond funds intended to be issued in calendar year 2014 or 2020, along with private donation and additional debt financing serviced with sales/services revenues. If approved, the Board President should appoint a building committee to oversee the development of the project. All voted AYE. The MOTION CARRIED. A copy of the SDSU New Cow/Calf Research and Education Unit Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

BHSU Central Utility Plant Upgrade Preliminary Facility Statement And Facility Program Plan

IT WAS MOVED by Regent Baloun, seconded by Regent Morris to approve BHSU’s Preliminary Facility Statement and Facility Program Plan to upgrade the Central Utility Plant at an estimated cost of \$3,383,275. Funding for this project will be as follows: US Department of Energy grant - \$1,000,000; 2011 HEFF Bond funds - \$1,196,800; FY11 HEFF Utility

Infrastructure Project - \$135,253; FY11 M&R Fee-Utility Infrastructure Project - \$100,000; FY12 HEFF Jonas Chiller Project-\$574,654; and FY13 HEFF-Jonas Chiller Upgrade - \$376,568. It has been determined that no building committee is needed for this project. All voted AYE. The MOTION CARRIED. A copy of the BHSU Central Utility Plant Upgrade Preliminary Facility Statement and Facility Program Plan can be found on pages ____ to ____ of the official minutes.

NSU Johnson Fine Arts Center Renovation & Addition Preliminary Facility Statement

Moved to consent calendar.

SDSMT Student Recreation Center Preliminary Facility Statement

IT WAS MOVED by Regent Weber, seconded by Regent Baloun to approve SDSMT's Preliminary Facility Statement allowing them to further investigate the construction of a Student Recreation Center. Approval of the Preliminary Facility Statement does not approve the project but will allow the university to move forward with their Facility Program Plan which will provide for further program planning and better cost estimates. Waiting until 2014 or 2020 to bond for further revenue system projects will allow completion of the current bonded projects and provide two more years of enrollment data for the system. If approved, the Board president should appoint a building committee representative to oversee the planning for the project. Funding for the planning phase of the project will come from the SDSMT revenue system. All voted AYE. The MOTION CARRIED. A copy of the SDSMT Student Recreation Center Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

SDSU Architecture, Mathematics & Engineering Building Preliminary Facility Statement

Moved to consent calendar.

SDSU New Headhouse And Greenhouse Preliminary Facility Statement

Moved to consent calendar.

SDSU Utility Repairs And Upgrades – Water, Sanitary Sewer, Storm Sewer Preliminary Facility Statement

Moved to consent calendar.

SDSU Utility Tunnel, Steam/Condensate Infrastructure Repair And Modernization And Supplemental Plant Building Preliminary Facility Statement

Moved to consent calendar.

SDSU New Cow/Calf Research And Education Unit Preliminary Facility Statement

Moved to consent calendar.

USD Muenster University Center Expansion Facility Program Plan

IT WAS MOVED by Regent Baloun, seconded by Regent Weber to approve USD's Facility Program Plan to construct an addition to the Muenster University Center at an estimated cost of \$10,000,000. This cost estimate includes the funding for the renovation of the North Complex Commons. Funding for this entire project will come from housing and food service revenues. No fee increases are being requested or approved for this expansion. USD is to report annually to the Board on how the financing plan actually plays out. All voted AYE. The MOTION CARRIED. A copy of the USD Muenster University Center Expansion Facility Program Plan can be found on pages ____ to ____ of the official minutes.

USD Delzell Education Center Mechanical – Electrical Upgrade Facility Design Plan

IT WAS MOVED by Regent Morris, seconded by Regent Weber to approve USD's Delzell School of Education Center Mechanical-Electrical Upgrade Facility Design Plan at a cost of \$2,400,000. Funding of \$2,250,000 for this project will come from 2012 bond proceeds debt serviced with campus HEFF M&R funds. The remaining \$150,000 will come from USD's FY13 HEFF allocation funds. All voted AYE. The MOTION CARRIED. A copy of the USD Delzell Education Center Mechanical – Electrical Upgrade Facility Design Plan can be found on pages ____ to ____ of the official minutes.

BOR Policy 5:23 – Cell Phones

IT WAS MOVED by Regent Baloun , seconded by Regent Weber to approve the recommended changes to BOR Policy 5:23 – Cell Phones. All voted AYE. The MOTION CARRIED. A copy of the BOR Policy 5:23 – Cell Phones can be found on pages ____ to ____ of the official minutes.

Full Report

IT WAS MOVED by Regent Morris, seconded by Regent Baloun 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.

STUDENT ORGANIZATION AWARDS – NORTHERN STATE UNIVERSITY

Rhoda Smith, NSU Vice President for Student Affairs presented NSU's student organization awards.

National Association for Music Education (NAfME) accepted the award for Academic Excellence. NAfME provides a variety of learning experiences for its members and for students within the Northern State University (NSU) Music and Theatre Department. Korean Student Association accepted the award for Community Service. The Korean Student Association offers a variety of service programs throughout the year designed to educate the campus and local communities about Korean culture. Wolf Pack Orientation accepted the award for Organizational Leadership. The Wolf Pack Orientation organization provides leadership with the development

and implementation of the New Student Orientation programs at Northern State University (NSU).

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

PERFORMANCE FUNDING MODEL

Dr. Turman and Dr. Palmer gave a brief summary of the Performance Funding Model. It was explained that the Performance Funding Model outlines a proposed SDBOR Performance Funding Model – to be piloted in FY2013 – that reallocates 1) a portion of existing institutional resources and 2) a pool of \$3 million of one-time funds based on performance criteria.

Dr. Palmer said that there are two levels of attributes that are considered in the model: 1) the degree level and 2) the field the student graduates from. He explained in general terms how the funding model works and how it is weighted.

Dr. Palmer and Dr. Turman fielded questions. Discussion of the weighting of types of graduates ensued.

Regent President Johnson said that the worth of a graduate to the state of South Dakota may not be represented accurately by the way the model weights different degree levels; however, this is a pilot program that aims to spend the one-time money given to the BOR by the legislature and every campus will see a gain. For ongoing performance funding, there are a few things that we should be re-evaluated.

IT WAS MOVED by Regent Hansen, seconded by Regent Weber to approve the SDBOR Performance Funding Model, including model methodology (degree level and premium fields weighting coefficients), allocation of \$3,000,000 in recaptured institutional dollars to performance funds, and allocation of \$3,000,000 in one-time dollars to performance funds.

A copy of the Performance Funding Model can be found on pages ____ to ____ of the official minutes.

2012 LEGISLATIVE UPDATE

Dr. Janelle Toman gave a brief summary of the outcomes of the 2012 legislative session.

She said the most significant bills for the Board of Regents had to do with capital improvement plan, a few construction projects at SDSU, research park development, and veteran tuition assistance.

The Regents gave thanks for Janelle’s strong attention and organization during legislative session. Appreciation was also given to Monte Kramer who had pointed out that there was not fire insurance on many of the Board of Regents buildings; because of two recent fires on university campuses, this was a needed piece of insurance.

A copy of the 2012 Legislative Update can be found on pages ____ to ____ of the official minutes.

FY13 BUDGET SUMMARY

Claudean Hluchy explained that the FY13 General Appropriation Bill, SB197, was approved by the Legislature and signed by the Governor.

She said that the approved general funds appropriation included a general fund base increase of \$17.0 million or 11.3%, which includes: 1) \$10.6 million to replace the original federal ARRA dollars added to the budget in FY10; 2) a decrease of (\$4,427) for the lease payment adjustments; 3) an increase of \$83,774 for NSU's E-Learning; 4) \$1,070,011 for the expansion of the MD Program at USD by sixteen students and the Rural Education Track; 5) \$132,698 to expand the Physician's Assistant Program at USD by five students per year and switch five out-of-state slots to resident slots; 6) \$450,000 added as an amendment by Senator Tidemann for research in oil seed production and development of drop-in fuel; 7) \$4,527,364 for the general fund portion of the employee compensation package; 8) \$60,035 for the general fund portion of the increased bureau billings; and 9) an increase of \$120,658 for the SD Opportunity Scholarship of \$150,748,788 to the FY13 general fund base of \$167,812,324.

The Board of Regents will also receive one-time general funds in FY13 of \$5,922,158. These dollars were added to the Board's budget through a special appropriation bill (SB192). The funding will be added to the budget in FY13 and will have a four year life span. The focus of these funds will be student success, research, and performance funding.

The FY13 budget has a total federal fund expenditure authority decrease of (\$19,238,571) and other fund authority increase of \$18,145,161. There was a net increase of 27.0 FTE. SD School for the Deaf had a decrease of (15.4) FTE. This was simply a clean-up item due to the reorganization of the SD School for the Deaf. None of the additional 27.0 FTE will be funded through general funds.

A copy of the FY13 Budget Summary can be found on pages ____ to ____ of the official minutes.

ONE-TIME EMPLOYEE STIPEND

Dr. Janice Minder and Dr. Kramer presented the One-Time Employee Stipend.

Dr. Minder explained that the legislature approved the FY12 general bill with a one-time employee payment for state employees to be paid by March 30, 2012. The final version of the bill provides a tiered payment adjusted by years of service and percent of appointment and has a lower floor of \$46,000 and an upper ceiling of \$150,000.

The enacted legislation requires the universities to use existing funds to cover approximately 57% of the payment. The state only provided one-time funds for the employees paid with general

funds. The institutions will need to come up with the money to cover all employees paid with federal or other funds. University budgets for FY12 have already been established and are well underway. Because of this, universities must be provided the flexibility to find the dollars wherever available.

Dr. Kramer said in order to assist the institutions in a year where they have already made significant cuts to base budgets the Executive Director proposes to use the tuition reserve to cover one-half of the need related to tuition and student fees. The cost for these fund sources is approximately \$3.7 million. The Board will provide an estimated \$1.9 million to the universities in FY12 to assist with the one-time payment. The funds would be repaid to the Tuition Reserve account within three years based on enrollment growth and from other operating budget savings. Each institution will determine if the loan from the reserve fund is necessary. The current balance in the reserve account is \$3,391,320, representing approximately 5% of annual tuition revenues.

The regents addressed the concept that salary policy was a number one priority, but it came with some pain due to the portion that the universities are responsible to pay within the current budget cycle.

IT WAS MOVED by Regent Baloun, seconded by Regent Morris to endorse the commitment to salaries with approval of the one-time stipend to be paid as part of the March payroll. In addition, allow the campuses to borrow from the Tuition Reserve Fund up to one-half of the state tuition and fee cost of the one-time stipend. The amount would be repaid over a three year period starting in FY13. All members voting AYE. The MOTION CARRIED.

A copy of the One-Time Employee Stipend can be found on pages ____ to ____ of the official minutes.

BASE BUDGET REALIGNMENT ACTION

Dr. Kramer explained that the Board was provided with base budget realignment options related to agenda item 20. The realignments would realign base general fund dollars between the institutions to address inequities identified in reviewing funding support per FTE and gaps between total funding needs and resources available.

The Board was asked to consider the proposals for potential adoption of one of the proposals.

Dr. Kramer fielded questions about how the Board of Regents system got into an uneven funding situation, allowing some campuses more money than others.

IT WAS MOVED by Regent Morris, seconded by Regent Baloun to allocate \$100,000 from five campuses and transfer these funds to Black Hills State University to reduce some of the funding inequities to that campus. Six members (Regents Morris, Baloun, Schaefer, Johnson, Jewett, Weber) voting AYE. One member (Regent Hansen) voting NAY. The MOTION CARRIED.

A copy of the Base Budget Realignment Action can be found on pages ____ to ____ of the official minutes.

2011-2012 REGIONAL TUITION & FEE SURVEY

Dr. Kramer explained that every fall the Board Office conducts a survey of the public institutions in the surrounding states in order to get a valuable insight into where South Dakota stands in comparison to other states given the upcoming tuition and fee setting cycle. The focus of this summary is on the weighted cost data by state. The summary also compares the percentage increases to tuition and fees for each state over the last five years.

Dr. Kramer discussed the findings of the survey. He said: 1) for resident undergraduate students, South Dakota has the greatest percentage increase in rates over 2007 to 2012 for tuition and fees; 2) South Dakota's non-resident undergraduate rates continue to be the best bargain in the region for out-of-state students; 3) South Dakota's resident graduate percentage increase since 2007 was once again the highest of the eight states; and 4) South Dakota's non-resident graduate rate, much like the undergraduate rate, is the lowest of the eight states.

He said the survey data shows that South Dakota's tuition increases over the last few years have been offset by the lower costs associated with room and board services. This combination has kept South Dakota campuses competitive with rates in surrounding states. We continue to lose that edge as institutions are forced to upgrade residence halls, student unions, and add wellness centers. With planned increases of 5% for the next two years on all residence hall rates at SDSU to help pay for new residence halls, upgrades across the system, and dialogue about new halls at BHSU, DSU, and NSU, we are likely to see room and board costs escalate to meet student expectations and remain competitive.

He said another issue that needs to be watched is the number of institutions offering resident rates to out-of-state students. This trend provides affordable alternatives to South Dakota students, especially when our rate increases are outpacing the surrounding states.

Discussion about the possible need to provide within this report information related to including surrounding state scholarships. Discussion ensued about the appropriate timing of when to look at surrounding state comparison data.

Dr. Warner gave an explanation of the factors that are considered when setting tuition and fees.

A copy of the 2011-2012 Regional Tuition & Fee Survey can be found on pages ____ to ____ of the official minutes.

UC-SF FOUNDATIONS PILOT PROGRAM

Dr. Kramer gave a brief explanation of some minor revisions to the item.

Dr. Mark Lee presented the proposal to lower the costs for lower division courses at University Center – Sioux Falls. The premise of the proposal has three elements: 1) UC-SF will identify a

narrow subset of the 100/200 level courses delivered at UC to accumulate to the first 60 hours of study and become experts at efficiently and effectively delivering this set of courses; 2) UC-SF will price this set of courses at a rate that is below the current self-support rate. This will entice students into these sections and permit us to generate great efficiency; and 3) In addition to internal efficiencies gained, the price point we hold out to the market for courses from our high-quality universities will result in growth from new enrollments that are currently “non-consumers” plus will help us with student retention and persistence.

The pilot program will be evaluated annually and compared to detailed projected financial and operational benchmarks and is intended to have a full and final evaluation after the FY16 results are known. This is similar to the evaluative approach we have taken with other pilot projects in our system. Success will be determined by looking at whether we have been able to grow the enrollments at the lower level, retain the students, and feed the upper-level courses and programs, such that the revenue impact is neutral or positive by FY16.

The rate proposed for the UC Foundations pilot is \$189 per credit hour or about \$100 less than the undergraduate self-support tuition rate for FY13. This rate, calculated over the course of taking 60 lower division credit hours, would save the student \$6,000. In addition to student savings, the program improves affordable access to our course offerings and assumes improved retention and cost efficiencies at UC by narrowing course offerings and effectively delivering the UC Foundations sections.

He said this effort is designed to fully develop our public mission in Sioux Falls to seek new strategies to expand our services to the public. This service is not just for the public that is well prepared for higher education and can afford our services, but the whole depth and breadth of the racial, ethnic, and socioeconomic make-up of the Sioux Falls community. UC Foundations is conceived to do just that.

Discussion about the negative numbers associated with the financial projection for the first few years of the pilot program. Other comments were made about the possible success of the program.

IT WAS MOVED by Regent Hansen, seconded by Regent Weber to approve the pilot program to begin in fall 2012. An annual report will be provided to the Board tracking enrollment numbers and financial information for the pilot program. All members voting AYE. The MOTION CARRIED.

A copy of the UC-SF Foundation Pilot Program can be found on pages ____ to ____ of the official minutes.

FY13 TUITION & FEES OVERVIEW

Dr. Kramer explained there are many reasons the Board of Regents has to increase tuition and fees every year, including salaries that are paid out of tuition and fees, increases to employer paid health insurance, and inflation.

Furthermore, the Board recognizes the importance of inflationary increases to maintain the purchasing power of the universities. The CPI rate as calculated by the Bureau of Finance and Management is 1.98% for the past fiscal year. This rate is used to adjust the operating expense budgets for program fees, vehicle registration, and residence hall rates.

He also explained that all six universities have contracted food service. The Board started using the Consumer Price Index for “Meals Away From Home” to reflect the market basket for food service costs. The CPI rate is 0.65% for the past fiscal year.

It’s also important to consider the state funding situation and regional competition.

Dr. Kramer said even with the increases, he believes students are getting an exceptional buy for their education in South Dakota.

A copy of the FY13 Tuition & Fees Overview can be found on pages ____ to ____ of the official minutes.

FY13 TUITION & MANDATORY FEES

Mary Ellen Garrett explained that tuition and mandatory fees include tuition, the University Support Fee (USF), the General Activity Fee (GAF), and computer lease fees for DSU and SDSMT. Program fees, delivery fees, and room and board are not included in the calculation of the mandatory fees, since they are not assessed to all students.

The FY13 proposal for tuition and mandatory fees attempts to keep the cost to students as low as possible while considering enrollment growth, service to students, and delivering the highest quality education possible to our students. The impact to students within the system will be a cost increase of \$463.97 per year or 6.5%.

She also pointed out that the number of required credits for most bachelor’s degree programs has been reduced to 120 credit hours. This reduction in required credit hours will provide the total savings of \$2,000 on four year degree, or approximately \$500 per semester.

Discussion about how this item could be more robust, for instance, if it could provide last year’s costs next to the new proposed costs. Discussion about how this information should be easily accessible to students.

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to approve the proposed FY13 Tuition and Mandatory Fees as presented in Attachment I, page 12 with an amendment that DSU’s tuition and fees increase from 4.3% to 5% and NSU’s tuition and fees increase from 4.6% to 5%.

Regent Hansen shared his disappointment that tuition and fees are too high and many students and parents believe higher education is out of reach. He expressed his belief that a formula is necessary for the funding structure. We cannot continue to raise tuition on students. There is unfairness issues related to this considering K-12 receives increases for more enrollments and

inflation. He expressed negative possible outcomes that could occur if we do not do anything to change the some of the outcomes

Dr. Kramer answered questions about what Regent Jewett's motion means according to dollars.

IT WAS MOVED by Regent Weber, seconded by Regent Hansen to amend the motion on the floor and to revert to the original recommendation by the executive director for FY13 Tuition and Mandatory Fees as presented in Attachment I, page 12 without amendment.

Regent Weber said the numbers recommended by the executive director were agreed upon by each campus. With the recommended tuition increase, no campus will lose money next year. He said raising the numbers to 5% would be an irresponsible move and should be avoided. He said decisions like this need to have calculated costs associated with them.

Further discussion about how the proposed tuition increase is established, looking at cost drivers. Regent President Johnson said that the tuition increase requested each year is for no more and no less than what the universities need for the following year.

ROLL CALL VOTE:

WEBER: YES
JEWETT: NO
HANSEN: YES
JOHNSON: YES
SCHAEFER: YES
MORRIS: YES
BALOUN: NOT PRESENT
PAGONES: NOT PRESENT
KROGMAN: NOT PRESENT

Five members voting AYE. One member voting NAY. The MOTION CARRIED.

IT WAS MOVED by Regent Schaefer, seconded by Regent Weber to approve the proposed FY13 Tuition and Mandatory Fees as presented in Attachment I, page 12.

ROLL CALL VOTE:

WEBER: YES
JEWETT: NO
HANSEN: YES
JOHNSON: YES
SCHAEFER: YES
MORRIS: YES
BALOUN: NOT PRESENT
PAGONES: NOT PRESENT
KROGMAN: NOT PRESENT

Five members voting AYE. One member voting NAY. The MOTION CARRIED.

A copy of the FY13 Tuition & Mandatory Fees item can be found on pages ____ to ____ of the official minutes.

FY13 SYSTEM AND INSTITUTIONAL FEES

Ms. Garrett explained that outside of mandatory tuition and fees (Tuition, USF, GAF, and laptop fees for DSU and SDSMT), students will be assessed specific fees for services and may pay additional fees for higher cost disciplines. The services could include processing applications, testing for credit, assessment fees, room and board plans, and parking fees. Program fees are used to support high cost disciplines in the areas of salaries and/or operating expenses. Students may also pay lab fees for certain courses that have consumables or have equipment replacement needs.

She summarized the system and institutional fee requests of the universities.

IT WAS MOVED by Regent Morris, seconded by Regent Schaefer to approve the system and institutional fees as presented in Attachment I. Five members (Regent Jewett, Hansen, Johnson, Schaefer, and Morris) voting AYE. One member (Regent Weber) voting NAY. The MOTION CARRIED.

A copy of the FY13 System and Institutional Fees can be found on pages ____ to ____ of the official minutes.

FY13 GRADUATE ASSISTANT STIPENDS

Ms. Garrett explained that Board Policy 5:22(B), *Graduate Assistants and Fellows*, provides for the Board to annually establish a minimum graduate assistant stipend. Graduate assistants are expected to work a full semester to receive the full semester compensation. Graduate assistants are expected to work the full four-week summer session to receive the full four-week session compensation. The minimum compensation may be prorated accordingly if the graduate student does not work the full semester or four-week session.

The Board has traditionally increased the minimum amount of the graduate assistant stipends by the rate of increase in resident graduate tuition. The increase is rounded to the nearest dollar.

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to approve BHSU, DSU, and NSU proposed FY13 minimum graduate assistant stipends in the amount of \$3,021 per semester and \$755 per four-week session and SDSMT, SDSU, and USD proposed FY13 minimum graduate assistant stipends in the amount of \$3,157 per semester and \$789 per four-week session. All members voting AYE. The MOTION CARRIED.

A copy of the FY13 Graduate Assistant Stipends information can be found on pages ____ to ____ of the official minutes.

FY13 SPECIAL SCHOOLS TUITION & FEES

Mary Ellen Garrett explained that the South Dakota School for the Blind and Visually Impaired (SDSBVI) analyzed their instructional and residential costs to determine an appropriate tuition rate for non-resident students who may attend the school. The residential costs are based on annual food service, residential, and nursing costs for each resident student. The instructional costs are based on annual superintendent, principal, business office, instruction, library, and physical plant costs for all students. No additional staffing is required to provide instruction or residential care for the non-resident child currently enrolled at the school.

South Dakota School for the Blind and Visually Impaired has two non-resident students for this academic year. Both students are full-time instructional students. One resides full-time on campus while the other resides part-time. The current tuition rate is \$31,990 for instructional costs and \$12,930 for residential care. This rate is reflective of the current costs for these areas. It is recommended that the rate increase by inflation.

IT WAS MOVED by Regent Jewett seconded by Regent Weber to approve the FY13 Special Schools Non-Resident Tuition rate at \$32,623 for instructional costs and \$13,186 for residential care. All members voting AYE. The MOTION CARRIED.

A copy of the FY13 Special Schools Tuition & Fees can be found on pages ____ to ____ of the official minutes.

ELECTION OF OFFICERS

IT WAS MOVED by Regent Morris, seconded by Regent Jewett to elect the same slate of officers: Regent Johnson, President; Regent Krogman, Vice President; and Regent Schaefer, Secretary. All members voting AYE. The MOTION CARRIED.

ADJOURN

IT WAS MOVED by Regent Morris, seconded by Regent Jewett to adjourn the meeting of the Board of Regents on March 29 at 12:17 p.m. All members voting AYE. The MOTION CARRIED.