

**BOARD OF REGENTS  
MINUTES OF THE MEETING  
April 2-4, 2013**

The South Dakota Board of Regents met on April 2-4, 2013 in the Centennial Room, Student Center at Northern State University, 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  
Carole Pagones, Regent  
Patrick Weber, Regent

Also present during all or part of the meeting were Jack Warner, Executive Director and CEO; James Shekleton, General Counsel; Sam Gingerich, System Vice President for Academic Affairs; Janelle Toman, Director of Communications; Michele Anderson, Internal Auditor; Paul Turman, System Vice President for Research and Economic Development; Daniel Palmer, Director of Institutional Research; Paul Gough, Director of Policy and Planning; Barbara Basel, Director of Human Resources; Monte Kramer, System Vice President of Finance and Administration; Heather Forney, Financial Compliance Officer; Claudean Hluchy, Budget Manager; Mary Ellen Garrett, Accounting Manager; Dave Hansen, Director of Information Technology; Tracy Mercer, Information Research Analyst; James Abbott, USD; David Chicoine, SDSU; David Borofsky, DSU; Kay Schallenkamp, BHSU; Marjorie Kaiser, SDBVI and SDSU; Duane Hrcir, SDSM&T; James Smith, NSU; Mark Lee, UC-Sioux Falls; Ron Woodburn, CUC-Pierre; Kevin Kephart, Laurie Nichols, Mary Kay Helling, Daniel Vellek, Zach Neubert, Ben Ruggeberg, Kaytlin Pelton, Wes Tschetter, Jeff Siekmann, SDSU; Alissa VanMeeteren, Chuck Staben, Laura Jenski, Kurt Hackemer, Sheila Gestring, DJ Smith, Michelle Corio, Lindsay Sparks, Kimberley Grieve, Ashley White, Hanna McElroy, Jessica Peterson, Clay Hoffman, USD; Ethan Brown, Sharon Paranto, W. Bill Broucek, Debbi Bumpous, Tino Mendez, Kelsey Luckhurst, Kody Kriss, Aaron Mayo, Menno Schukking, Mark Sperry, Jory Kuzman, Rocky Maier, NSU; Curtis Card, Kathy Johnson, Taylor Degen, Chase Bogel, Lorrin Anderson, Mikayla Whirlwindhorse, BHSU; Tim Henderson, Mike Gunn, Anthony Amarasinghe, Brian Vogel, Michael Leopold, Carlos Beatty, Jr., Rory Hammerbeck SDSM&T; Cecelia Wittmayer, DSU; Loren Paul, SDEA; Bill Adamson, SDSU-COHE; Gary Aguiar, COHE/SDEA; Matt Fuks, SDSU Alumni Association; Robert Stein, Smarter Balanced; and other students, faculty, and members of the press.

## **TUESDAY, APRIL 2, 2013**

The Regents convened in open session at 6:00 p.m. on Tuesday, April 2, 2013, in the Maroon Room at Northern State University.

IT WAS MOVED by Regent Schaefer, seconded by Regent Morris that the Board of Regents Convene and Dissolve into Executive Session at 6:00 p.m. on Tuesday, April 2, 2013, 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, April 3, 2013, in order to discuss personnel matters; pending and prospective litigation, contractual, collective bargaining and student matters, and to consult with legal counsel; that it rise from executive session at 1:30 p.m. to resume the regular order of business and to reports its deliberations while in executive session. All members voting AYE. The MOTION CARRIED.

## **WEDNESDAY, APRIL 3, 2013**

Regent President Kathryn Johnson called the meeting of the Board of Regents to order at 1:38 p.m. on April 3, 2013, and declared a quorum present.

### **APPROVAL OF THE AGENDA**

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

### **APPROVAL OF THE MINUTES**

IT WAS MOVED by Regent Baloun, seconded by Regent Pagonos to approve the minutes of the regular December 11-13, 2012 meeting as well as the special March 11, 2013 meeting. All members voting AYE. The MOTION CARRIED.

### **WELCOME AND PRESENTATION BY NSU PRESIDENT JAMES SMITH AND SDSBVI and SDSD SUPERINTENDENT MARJORIE KAISER**

Superintendent Marjorie Kaiser welcomed the audience and touched on some points related to SDSBVI and SDSD. She explained that at both schools they are working on finishing the strategic planning with implementation as the next step.

NSU President James Smith welcomed the audience to Northern State University. He referenced the new \$6 million renovated student center as well as summarized the other recently finished building projects. He then introduced Dean of Fine Arts Allen LaFave who touched on the fact that the NSU Marching Wolves were selected to perform in the recent presidential inaugural parade. Director of Bands Boyd Perkins gave a summary of the trip.

Students who took part in this trip gave an explanation of what the trip meant to them and expressed pride in being part of Northern State University.

## **REPORT AND ACTIONS OF EXECUTIVE SESSION**

Upon convening at 6:00 p.m. on Tuesday, April 2, 2013, the Board dissolved into executive session in order to discuss personnel matters. As shown on the published agenda, and pursuant to a special motion ratifying the purposes stated published agenda and adding thereto the additional purpose of considering students matters, it adjourned at 9:00 p.m. and reconvened in executive session at 8:00 a.m. on Wednesday, April 3, 2013, in order to discuss personnel matters; pending and prospective litigation, contractual, collective bargaining and student 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, contractual, collective bargaining and student 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. Award the title of Professor Emeritus to Tom Termes (BHSU); Professor Emeritus to Carol Hess (BHSU); Professor Emeritus to Dorothy Fuller (BHSU); Associate Professor Emeritus of Education to Don B. Wiken (DSU); Vice President Emeritus of Academic Affairs and Professor Emeritus of Marketing to Cecelia M. Wittmayer (DSU); Associate Professor Emeritus of Education to Kathie Courtney (NSU); Professor Emeritus of Business to Hillar Neumann (NSU); Professor Emeritus of Civil and Environmental Engineering to M. R. Hansen (SDSM&T); Dean and Professor Emerita of Nursing to Roberta K. Olson (SDSU); Professor Emeritus of Veterinary and Biomedical Sciences to David Zeman (SDSU); Professor Emeritus to Edward Allen (USD); Professor Emeritus to Tim Case (USD); Professor Emeritus to Eric Hagen (USD); Professor Emeritus to Terry Robertson (USD); Professor Emeritus to Ann J. Settles (USD); and Distinguished Professor Emeritus to Judith Lynn Sebesta (USD). A copy of the resolutions of recognition can be found of pages \_\_\_\_ to \_\_\_\_ of the official minutes.
2. Award the title of Distinguished Professor to Mike Brown and Kasiviswanathan “Muthu” Muthukumarappan. A copy of the resolutions of recognition can be found of pages \_\_\_\_ to \_\_\_\_ of the official minutes.
3. Approve the leave request for Laura Colomenero-Chilberg for the 2013-2014 academic year (BHSU); David N. Cremean for the 2013 fall semester (BHSU); Corinne Hansen for July 21, 2013 – January 22, 2014 (BHSU); Lysbeth Em Benkert-Rasmussen for the 2014 spring semester (NSU); Douglas G. Ohmer for 2014 spring semester (NSU); Teresa G. Stallings for the 2013-2014 academic year (NSU); Daniel Yurgaitis for 2013 fall semester (NSU); Hande Briddick for the 2013-2014 academic year (SDSU); William Briddick for the 2013-2014 academic year (SDSU); Randy Clark for the 2013 fall semester (SDSU); Matthew James for the 2014 spring semester (SDSU); Brady Phelps for the 2014 spring semester (SDSU); Eckhard Rolz for the 2013 fall semester (SDSU);

Sung Shin for the 2014 spring semester (SDSU); and Chuck Vollan for the 2014 spring semester (SDSU).

4. Approve SDSU's request to grant tenure to Joseph P. Cassady, Department Head of Animal Sciences and remand USD's request to grant tenure to Greg Carlson, Director and Associate Professor of the Division of Health Services Administration in the Beacom School of Business to a school-level faculty committee for review and recommendation.
5. Approve the administrative actions to accept the appointment of Judith Bauer to the position of executive assistant to the president at BHSU at an annualized salary of \$50,000; to approve the appointment of Joseph Firman to the position of coordinator of special projects at DSU at an annualized salary of \$43,000; to accept the resignation of Linda Brozik from the position of executive assistant to the president at DSU; to accept the resignation of Timothy Henderson from the position of vice president of finance and administration at SDSM&T; and to accept the appointment of David Herbster as the Interim Director of Athletic at an annualized salary of \$125,000.
6. Approve the personnel actions as submitted by the Board office, campuses, and special schools. A copy of the personnel actions can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.
7. Accept the System Scholarship Committee's recommended recipients for the 2013-2014 Fowler, Haines, Scarborough, and Bjugstad scholarships, and authorize the institutions attended by the recipients to publish their names if permitted under the institutional policies implementing the Family Educational Rights and Privacy Act or authorized by the recipients.

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 19, 2013 in Pierre. He explained that they discussed the status of the state budget, the outcome of this year's legislative session, a follow up related to the athletic insurance policies and how to manage it going forward, the effect of the 2% maintenance and repair requirement on room and board rates, and the tuition and fees setting rates for this meeting.

He explained that all items brought forth to the board have been thoroughly vetted by the counsels.

### **COMMENTS FROM INDIVIDUAL PRESIDENTS AND SUPERINTENDENTS**

BHSU President Kay Schallenkamp thanked the outgoing student leadership and introduced and welcomed the new student leadership team.

### **REPORT AND ACTIONS OF THE EXECUTIVE DIRECTOR**

Dr. Warner acknowledged and recognized Tim Henderson who is retiring from SDSM&T for his long service to the system and institution.

Dr. Warner referenced a few items of importance on the agenda mainly the tuition and fee items. He explained that his recommendation for tuition and fees for FY14 was very much focused on the balance of all the obligations of the board as well as the affordability for students.

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 \_\_\_\_.

### **STUDENT FEDERATION REPORT**

Mr. Rory Hammerbeck, previously Fenske, expressed appreciation for the efforts the regents and the state legislature made for students this last legislative session. He then introduced the new executive director of the student federation, DJ Smith from USD. Mr. Smith voiced his excitement for the coming year.

### **IMPLEMENTATION OF THE COMMON CORE STATE STANDARDS AND THE SMARTER BALANCED ASSESSMENT SYSTEM**

Dr. Sam Gingerich briefed the board on the implementation of the Common Core State Standards (CCSS), Smarter Balanced assessment, and the impacts this is having on postsecondary education. He explained the CCSS purpose of establishing commonality in K-12 schools throughout the nation. He further explained two national consortia, Smarter Balanced and PARCC, are working to develop assessments that are built from and tie directly back to the standards. He said secondary and post-secondary educators are agreeing on descriptors of what it means to be college ready when students graduate from high school, and the assessments are being built that tie to those standards.

He explained that historically in South Dakota higher education, the Board of Regents, and the State Department of Education and Board of Education have good working relationships. He said these entities are currently working collectively in a number of ways to develop and implement strategies required to bring the Common Core State Standards and the related Smarter Balanced Assessments online in South Dakota.

Dr. Gingerich explained that they have been able to use funds from the Bush Foundation for this as well. Another support service provided to South Dakota by the Smarter Balanced Consortia is a senior level consultant to help with this implementation.

He introduced Dr. Robert Stein, former Commissioner of Higher Education in Missouri, who has been assigned to work with South Dakota with the postsecondary implementation of the Smarter Balanced Assessment System. He explained that Dr. Stein is the senior consultant assigned to work with South Dakota during this implementation. He has been in contact with us throughout this process and attended the April AAC meeting to provide a broader perspective of the work that's underway, to discuss key issues facing the Consortium in the next few months, to address concerns of members of the Council or from the campuses, and to offer support and suggestions for engaging campuses in this work.

Dr. Stein discussed the concept of the work behind the Smarter Balanced. He said the work being done can make a real difference for students in the future. He explained the pathways that are available to students as they progress and the evidence they will receive explaining how well they are doing to prepare for work and for college.

Dr. Stein answered regents' questions. Regarding communication, he said the commitment is to qualify and to put into context the messaging to students when they are "not meeting college-ready standards." He explained that there could be prototype messaging for states to use as an option rather than having every state start from scratch. He then clarified that the full implementation is scheduled for spring of 2016. He confirmed that these are national standards; a definition of college-ready will be established nationally. There was further discussion regarding redesign of teacher preparation.

Dr. Warner said this has great potential for deepening student learning and aligning higher education and K-12. He said the new placement policies shouldn't focus only on test results; there will be better motivation for students if we use multiple indicators.

A copy of Implementation of the Common Core State Standards and the Smarter Balanced Assessment System can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **JOINT POWERS AGREEMENT WITH THE SD DEPARTMENT OF EDUCATION**

Dr. Paul Turman said that the Board of Regents and the Department of Education are collaborating to design a program that would allow current high school students the opportunity to complete remedial coursework prior to entering the Regental system.

He said this new program uses the Accuplacer Diagnostic assessment to generate online coursework through Pearson's MyFoundationLab which is tailored specifically to the student's developmental needs. Once a student successfully completes the MyFoundationLab courses, they are again tested using the standard Accuplacer assessments tool which is used for traditional placement in the Regental system. These assessments are managed by the Board of Regents to ensure that once the appropriate Accuplacer scores have been achieved, the students can be enrolled into the corresponding college level course.

These online remedial courses began being delivered to students beginning January 2013 through the South Dakota Virtual School and are offered in both 10-week and 12-month options. The courses include flexible, open-ended enrollment and range in cost from \$125-\$175. Students must register for the courses through their local school district, similar to other online courses offered through the South Dakota Virtual School.

The Department of Education received a \$120,000 ongoing appropriation from the legislature this past session. As the program continues, this money covers the costs the students are currently paying to be part of this program.

The proposed Joint Powers Agreement reflects the shared duties/responsibilities between the Board of Regents and Department of Education.

Regent Jewett said this is part of the process and the state Board of Education needs to support the new preparation for teachers.

IT WAS MOVED by Regent Schaefer, seconded by Regent Hansen to approve the Joint Powers Agreement between the Board of Regents and the Department of Education to collaboratively manage the early remediation program. All members voting AYE. The MOTION CARRIED.

A copy of Joint Powers Agreement with the SD Department of Education can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **GOVERNOR RESEARCH CENTER REPORT**

Dr. Turman said that the Governor Research Center report was generated in response to questions from legislators. He said the modest state investment of \$28.1 million for the Research Centers to date has yielded \$163 million from other sources resulting in a cumulative economic impact of \$235 million.

He said one of the important features of the Governor Research Center's is their ability to take basic research and translate it into commercially viable economic development activity for the state. He shared examples of research centers that continue to be economically viable for South Dakota even after they are no longer being supported by the state, such as SURF at the underground mine in Lead.

A copy of Governor Research Center Report can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **2013 LEGISLATIVE UPDATE**

Dr. Janelle Toman briefly summarized the major legislative achievements this session.

Dr. Warner gave special thanks to Regent Hansen for his partnership and work during the legislative session.

A copy of the item prepared for 2013 Legislative Update can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **FY14 BUDGET SUMMARY**

Ms. Claudean Hluchy said the 2013 Legislative Session has concluded and with that came the passage of the FY14 General Bill (HB1185). She said the employee compensation package for FY14 has been deleted from all attachments because the Bureau of Finance and Management is still finalizing numbers after an amendment removed the new Wellness and Medical Management Initiative.

She said the Board of Regents received a total increase of \$6.5 million to the general fund base which excludes the FY14 employee compensation package. This is a 3.9% increase over the FY13 general fund base. She gave a summary of the base budget changes.

She said the total FY14 budget is \$775.1 million excluding employee compensation and 5,074 FTE.

A copy of the item prepared for FY14 Budget Summary can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **FY13 GENERAL BILL AMENDMENTS**

Ms. Hluchy said that during the 2013 Legislative Session, HB1060 and SB90 amended the FY13 general bill. She addressed the amendments to HB1060 and SB90. She said these amendments addressed the health insurance shortfall and gave new money to the Ag Experiment Station.

In addition, DSU received a “special” appropriation through SB236 which takes effect in FY13 due to an emergency clause on the bill. The dollars in all of these bills are considered one-time adjustments and are not part of the base budgets.

Regent Schaefer addressed the additional \$2 million that was allocated to us by the legislature to help cover the increase in health insurance. He asked what portion of the health insurance shortfall is still uncovered. Ms. Hluchy said the shortfall we are responsible to cover is just a little over \$1.4 million.

A copy of FY13 General Bill Amendments can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **2012-2013 REGIONAL TUITION AND FEE SURVEY**

Dr. Monte Kramer explained that every fall the Board office conducts a survey of the public institutions in the surrounding states. States participating are Idaho, Montana, North Dakota, Minnesota, Iowa, Nebraska, and Wyoming. The survey compares mandatory tuition and fee costs and total costs.

He said this survey has been conducted for the last 15 years. It provides comparisons between similar institutions based on Carnegie Classification as well as state level comparisons. State level comparisons were done using a state average.

Given the upcoming tuition and fee setting cycle, the survey provides valuable insight into where South Dakota stands in comparison to other states. The focus of this summary is on the average cost data by state. The summary also compares the percentage increases to tuition and fees for each state over the last six years.

Dr. Kramer summarized data in the survey.



He said that South Dakota's tuition increases were traditionally offset by very reasonable room and board costs. 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 increases for new residence halls taking effect in FY13 and differential tuition at three of our universities, South Dakota saw its total cost ranking slip for resident students.

He explained that another issue that needs to be watched is the number of institutions offering resident rates to out-of-state students and banded tuition. These trends provide affordable alternatives to South Dakota students, especially when South Dakota rate increases are outpacing the surrounding states. He said it's important to put all of this information in the context of funding.

Dr. Kramer answered questions, helping to clarify information in the survey.

Regent Hansen said he's very concerned about accessibility and affordability. He is concerned about tuition and fees increases and would not advocate going any higher than what is currently being proposed. He is concerned that middle class families cannot afford to send their children to college. Furthermore, he said research suggests that students who work more than 20 hours per week while in college are not as academically successful. He said accessibility continues to be an issue, and he cautions that we do not price ourselves out of the market.

A copy of 2012-2013 Regional Tuition and Fee Survey can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **FY14 TUITION & FEES OVERVIEW**

Dr. Kramer provided information meant to frame the context of the proposed tuition and fee increase that the Board will consider at this Board meeting. He elaborated on how cost drivers, such as salary policy, annual costs, and state and student funding, affect the cost structure for FY14. He said the total package that has been proposed would generate about \$13 million, which would cover only the cost of maintaining status quo.

He gave further context for the proposed tuition and fees increase, stating competition for students with surrounding states as well as the high value of education.

A copy of the FY14 Tuition & Fees Overview can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **RECOGNITION OF REGENT JAMES O. HANSEN**

Regent President Johnson said there being no objection, the Board's agenda is hereby amended for the purpose of entertaining a motion to award an honorary doctorate degree of public service to James O. Hansen.

IT WAS MOVED by Regent Pagonis, seconded by Regent Jewett to award an honorary doctoral degree of public service to James Hansen. All members voting AYE. The MOTION CARRIED.

Regent President Johnson explained that an honorary degree is the highest honor that is bestowed by the Board of Regents and the universities. The purpose is to pay tribute to worthy individual(s). She asked Dr. Hansen, Regent Krogman, and Regent Schaefer to come forward for the hooding.

The following citation was read into the record by Dr. Jack Warner:

In recognition of extraordinary service and leadership to the state of South Dakota, hallmarked by his exemplary stewardship of the state's systems of public higher education and K-12 education, the South Dakota Board of Regents awards its highest honor, an honorary doctorate in public service, to Dr. James O. Hansen.

Dr. Hansen's 18 years as a member of the South Dakota Board of Regents stand as one of the longest records of service by any Regent. But even prior to his appointment to the Board of Regents on April 1, 1995, Dr. Hansen had already distinguished himself in public service to a state he has called home for more than 84 years.

In a lifetime of good works dedicated to public education in South Dakota, Dr. Hansen began his career as an educator in 1952 at Philip, where he was a high school math and science teacher and coach. He moved on to become superintendent of schools at Wessington, Gregory, and Madison. In 1976, he moved to Pierre and a position in the state education department, where he was assistant state superintendent in charge of instruction, deputy state superintendent, and served twice as state superintendent of schools. He also worked for the South Dakota Department of Labor. In 1985, he was appointed as Secretary of the Department of Education and Cultural Affairs, serving in the administrations of Governor William J. Janklow and Governor George S. Mickelson, before his retirement from the Governor's Cabinet in 1990.

Even though retirement at this point would have been well deserved, Dr. Hansen was not about to rest on his laurels. He went on give more of his time and talents in the public sector, a tradition that continues to the present day. He has served since 1992 on the Capitol Complex Restoration and Beautification Commission, since 1993 on the Board of Trustees for the South Dakota Retirement System, and since 2008 as a commissioner for the Western Interstate Commission for Higher Education. He has also been tapped for service on many state task forces and study groups over the years.

In his time on the Board of Regents, Dr. Hansen was elected by his peers as the board's secretary (1997, 2009-11), vice president (1997-98), and president (1998-99). During his tenure with the Regents, he has worked with 22 institutional executives at the campus and special schools level. He chaired three presidential search committees, and was a member of the search committee for three other executive searches. He also served on countless building committees for the Board of Regents, overseeing the investment of public and private resources in capital improvements for the betterment of public higher education.

Born in Lead, South Dakota, Dr. Hansen graduated from Spearfish High School, served as a staff sergeant in the U.S. Army Air Forces, and went on to receive his bachelor of science degree from what was then called Black Hills State Teachers' College. He earned a master's degree from the University of Northern Colorado and his doctorate in educational administration from the University of South Dakota. He also studied at Southern Utah State College, Harvey Mudd College, and the Teachers College of Columbia University, New York.

His honors for public and community service are many, including recognition from the AARP, National Education Association, School Administrators of South Dakota, Retired Teachers' Association, Phi Delta Kappa, South Dakota Beadle Club, Kiwanis Club, and Elks Club. Dr. Hansen has received the School Bell and Friend of Education awards from the South Dakota Education Association and state Parent-Teachers Association.

In recognition thereof, the South Dakota Board of Regents, on behalf of the citizens of South Dakota, bestows upon Dr. James O. Hansen the degree of Honorary Doctor of Public Service, reserved for those individuals whose exceptional personal and professional contributions merit special acknowledgement.

Regents Krogman and Schaefer placed the honorary doctoral hood over Regent Hansen and presented him an engraved medallion.

Regent Hansen acknowledged special attendees, including his family, and expressed his appreciation for the honor.

#### **THURSDAY, APRIL 4, 2013**

Regent President Johnson called the meeting of the Board to order at 9:40 a.m.

#### **FY12 AUDIT REVIEW**

Ms. Heather Forney said that significant improvements have been made across the system since new standards were implemented and new Legislative Audit staff took over the higher education portion of the CAFR three years ago.

She explained that there is one written audit finding for the BOR system for FY12. Adjustments and corrective action have been discussed with financial representatives at each campus and steps are being taken to have the corrective action in place prior to the end of fiscal year 2013. The finding for the BOR system is similar to the finding on the Statewide Financial Reporting Process, which includes all agencies under the Governor's purview.

Dr. Warner expressed his appreciation for Ms. Forney's leadership and acknowledged the work by the institutions for their efforts in reducing the number of audit findings.

A copy of FY12 Audit Review can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

## **REPORT AND ACTIONS OF THE COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS**

Regent Morris presented the report and actions of the Committee on Academic and Student Affairs as follows. He said he would like a follow-up presentation to the full board from staff.

### **INFORMATIONAL ITEMS**

#### **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.

#### **SDSM&T Program Review Report**

The Committee received materials submitted by SDSM&T summarizing a review of the Bachelor of Science in Interdisciplinary Science program. Information only. A copy of the SDSM&T Program Review Report can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

#### **Articulation Between the Regental Institutions and Technical Institutions**

The Committee received an overview of the system's efforts to update the tens of program-to-program agreements that are not used. The most recent matrix of nominees from the separate entities was included. Information only. A copy of Articulation Between the Regental Institutions and Technical Institutions can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

#### **StraighterLine Course Review**

The Committee received a summary of the discussions within the system regarding an agreement with StraighterLine. While any agreement would only address acceptance of certificates of completion, there are concerns that StraighterLine would begin aggressively marketing this option in South Dakota. These and other issues will be considered before any agreement might be brought to the Board for consideration. Information only. A copy StraighterLine Course Review can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **CONSENT CALENDAR**

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

### **Student Organization Award Winners for 2012**

Approve the recommendations from each institution for their own organizational recipient in the categories of Academic Excellence, Community Service, and Organizational Leadership. A copy of the Student Organization Award Winners for 2012 can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **IB Examinations Guidelines**

Approve the addition of the IB examination in economics to the set accepted for the award of credit. The Committee received the responses obtained from three institutions, who all of which noted no concerns with awarding credit for ECON 201: Principles of Microeconomics and ECON 202: Principles of Macroeconomics for students who score 5 or above on the Higher Level exams. Modifications have been made to the IB guidelines to reflect this addition and were included for approval. A copy of the IB Examinations Guidelines can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Program Modifications – NSU**

Approve NSU's program modification proposals for their MSED in Agency Counseling, MSED in School Counseling, and MSED in Educational Studies. A copy of Program Modifications – NSU can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Program Modifications – SDSM&T**

Approve SDSM&T's program modification proposal for their MS in Civil Engineering. A copy of Program Modifications – SDSM&T can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Program Modifications – SDSU**

Approve SDSU's program modification proposals for its BS in Ag Ed Communication and Leadership – Communication Specialization, BS in Dairy Manufacturing, BS in Dairy Production, Geographic Information Sciences Certificate, Graphic Design Certificate, Horticulture Minor, Painting Certificate, Printmaking Certificate, Sculpture Certificate, BS in Sport, Recreation, and Park Management, BS in Biology, BS in Biology – Secondary Education Specialization, BA and BS in Graphic Design, Animation Certificate, BS in Athletic Training, MS in Athletic Training, BS in Aviation, BS in Entrepreneurial Studies, AS in General Agriculture, BS in General Agriculture, BA in Global Studies, Global Studies Minor, MS in Rural Sociology, MS in Rural Sociology – Community Development Specialization, and Computer Applications Certificate. A copy of Program Modifications – SDSU can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Program Modifications – USD**

Approve USD's program modification proposals for its MA in CPE-Counseling –School Counseling Specialization, PhD in CPE-Counselor Education, EdS in CPE – School Psychology Specialization, PhD in CPE – School Psychology Specialization, MA in History – Plan A and B, MA/JD in History – Plan A and B, MAIS in Interdisciplinary Studies, EdD in Education Administration – Adult and Higher Education Specialization, BA in French Studies, and MA in Kinesiology and Sport Science – Sport Management Specialization. A copy of Program Modifications – USD can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Cooperative Agreements – BHSU**

Approve the proposed cooperative agreement between BHSU and Konkuk University (KU); and BHSU and Western Dakota Technical Institute (WDT). A copy of Cooperative Agreements – BHSU can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Cooperative Agreements – SDSM&T**

Approve the proposed cooperative agreement between SDSM&T and Copenhagen University College of Engineering (Ingeniorhojskolen i Kobenhaven (IHK)); Oslo and Akershus University College of Applied Sciences (HiOA); and Japye University of Information Technology University of India (JAYPEE). A copy of Cooperative Agreements – SDSM&T can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Cooperative Agreements – SDSU**

Approve the proposed cooperative agreement between SDSU and China Medical University (CMU); Salford University; Sungkyunkwan University (SKKU); and Southeast Community College (SCC). A copy of Cooperative Agreements – SDSU can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Cooperative Agreements – USD**

Approve the proposed cooperative agreement between USD and Lake Area Technical Institute (LATI). A copy of Cooperative Agreements – USD can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Cooperative Agreements – DSU, NSU, SDSU, & USD**

Approve the proposed cooperative agreement between DSU, NSU, SDSU, and USD and Kilian Community College (KCC). A copy of Cooperative Agreements – DSU, NSU, SDSU, & USD can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

## **Resolutions of Recognition**

Approve the proposed request to recognize Steve Babbitt as the Black Hills State University Distinguished Faculty Honoree (BHSU); and Robert L. McLaughlin and Debra Roesch (SDSBVI) for their years of dedicated service to the public higher education system of South Dakota. A copy of the Resolutions of Recognition can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

## **SUBSTANTIVE ITEMS**

### **Intent to Plan: SDSM&T Ph.D. in Civil and Environmental Engineering and SDSU Ph.D. in Civil Engineering**

It was moved by Regent Baloun and seconded by Regent Pagones to authorize South Dakota School of Mines and Technology to develop a proposal for a Ph.D. in Civil and Environmental Engineering and South Dakota State University to develop a proposal for a Ph.D. in Civil Engineering consistent with the following conditions:

1. The University will not request new State resources or additional facilities to develop, implement, or maintain the proposed program. The program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs.
2. The University will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers.
3. The proposal will define the specific knowledge, skills, and competencies to be acquired through the program and demonstrate how each will be obtained in the curriculum.
4. The proposal will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies and the consequences for students who do not achieve at the expected levels. Motion passed.

A copy of the Intent to Plan: SDSM&T Ph.D. in Civil and Environmental Engineering and SDSU Ph.D. in Civil Engineering can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Intent to Plan: SDSU Ph.D. in Biochemistry**

It was moved by Regent Weber and seconded by Regent Pagones to authorize South Dakota State University to develop a proposal for a Ph.D. in Biochemistry with the following conditions:

1. The University will not request new state resources or additional facilities to develop, implement, or maintain the proposed program. The program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs.
2. The University will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers.

3. The proposal will define the specific knowledge, skills, and competencies to be acquired through the program and demonstrate how each will be obtained in the curriculum.
4. The proposal will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies and the consequences for students who do not achieve at the expected levels. Motion passed.

A copy of the Intent to Plan: SDSU Ph.D. in Biochemistry can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Intent to Plan: DSU D.Sc. in Cyber Security**

It was moved by Regent Baloun and seconded by Regent Pagonos to authorize Dakota State University to develop a proposal for a Doctor of Science in Cyber Security with the following conditions:

1. The University will not request new state resources or additional facilities to develop, implement, or maintain the proposed program. The program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs.
2. The University will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers.
3. The proposal will define the specific knowledge, skills, and competencies to be acquired through the program and demonstrate how each will be obtained in the curriculum.
4. The proposal will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies and the consequences for students who do not achieve at the expected levels. Motion passed.

A copy of the Intent to Plan: DSU D.Sc. in Cyber Security can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Eagle Creek Software Systems and GOED Contract with USD and Establishment of a Certificate Program**

It was moved by Regent Pagonos and seconded by Regent Weber to approve the certificate awarded through the IT Consultant Academy, and the cooperative agreements between USD & the Governor's Office of Economic Development for the IT Consultant Academy and the Big Data Summer Program. Motion passed. A copy of Eagle Creek Software Systems and GOED Contract with USD and Establishment of a Certificate Program can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Revisions to BOR Policy 3:18: Funding Student Organizations**

It was moved by Regent Baloun and seconded by Regent Pagonos to adopt the proposed revisions to Board Policy 3:18. Motion passed. A copy of the Revisions to BOR Policy 3:18: Funding Student Organizations can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.



### **eText Pilot**

It was moved by Regent Baloun and seconded by Regent Weber to approve the recommendation of the eText Committee for a Pilot in the Fall of 2013 if the I2/Educause Pilot can be used. If not, before proceeding to RFI or RFP with Courseload, CourseSmart or any other provider, all affected constituents need to be engaged in this process. Motion passed. A copy of the eText Pilot can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **System Scholarship Awards**

It was moved by Regent Weber and seconded by Regent Baloun to accept the System Scholarship Committee's recommended recipients for the 2013-2014 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 Morris, seconded by Regent Baloun 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 Krogman presented the report and actions of the Committee on Budget and Finance as follows:

Regent Krogman requested a motion to amend the agenda to include item II-B Resolution of Recognition. IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to amend the agenda to include II-B Resolution of Recognition. All voted AYE. The MOTION CARRIED.

### **INFORMATIONAL**

#### **Institutional Items of Information**

The Committee received the Institutional Items of Information from BHSU, DSU, NSU, SDSM&T, 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 SDSU Indoor Practice and Human Performance Facility approved the facility design plan and a final construction estimate of \$32 million; the Building Committee for the SDSM&T Utilities Infrastructure Project reviewed the recommendations from the Office of the State Engineer and requested an interview process with the three shortlisted firms; the Building Committee for the DSU Auxiliary Services Master Plan and Student Union Renovation hired Perspective Architecture to design the project.; the Building Committee for the SDSM&T Utilities Infrastructure Project selected WPE/FMG/Albertson to design the project; the Building Committee for the SDSU Headhouse Greenhouse Project authorized SDSU to issue bid documents for the interior build out of the Headhouse at \$1,312,622, including all soft costs, as well as to continue to design development on the Greenhouse portion of the project; and the Building Committee for the SDSU Architecture, Math and Engineering Building approved the facility design plan for the project. Information only. A copy of the Building Committee Report can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Spring 2013 Tuition Reduction Programs**

The Committee received a report of tuition reduction programs available to students. The tuition reduction programs included in the report cover both Board approved and legislatively mandated programs that relate to state-support courses. Information only. A copy of the Spring 2013 Tuition Reduction Programs can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Budgeted versus Revenues**

The Committee received information regarding the institutions' credit hour projections as well as their revenue estimates. Because the institutions establish their operating budgets based on what they believe their revenue stream will be, this is an opportunity to see how the projected hours and revenues are aligning with the campus' operating budgets. The committee was provided a comparison of the base operating budget for state-support tuition and the projected revenues for FY13 as of March 2013. Information only. A copy of Budgeted versus Revenues can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **System Tuition Fund Condition Statement**

The Committee was provided a condition statement for the System Tuition Fund. The fund holds the Board's five percent reserve which is available to address enrollment swings in the system, as well as other Board priorities and critical needs. Any funds allocated from the fund are approved by the Board. The only revenues to the account under University Managed Resources are the interest earning from the system tuition deposits. Information only. A copy of the System Tuition Fund Condition Statement can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**Public Improvement Lien Notice – Lipetzky’s Irrigation, L.L.C. – University of South Dakota Campus Utilities Upgrade Project**

The Committee received information regarding a public improvement lien notice. This information explained that on March 19, 2013, Lipetzky’s Irrigation, LLC., a subcontractor of Smith & Smith Construction, filed a lien for Pay Request No. 1 for \$29,694.42 and Pay Request No. 3 for \$51,147.16, totaling \$80,841.58, pursuant to SDCL ch 5-22 on monies held by the Board of Regents relating to the University of South Dakota Campus Utilities Upgrade Project, OSE # R0609-6X/PH2. The funds required to cover the lien have been segregated from other funds held for the project, and the Office of the State Engineer is in contact with Lipetzky’s Irrigation, LLC. to assure resolution of the dispute with the contractor and discharge of the lien. Information only. A copy of the Public Improvement Lien Notice – Lipetzky’s Irrigation, L.L.C. – University of South Dakota Campus Utilities Upgrade Project can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**CONSENT CALENDAR**

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

**M&R Institutional Project Updates**

Approve BHSU’s request to replace the scoreboard and install artificial turf at the Lyle Hare Stadium at a cost of \$900,000. Funding for this project will be \$600,000 from university overhead funds and \$300,000 in private donations.

Approve SDSU’s request to replace the HVAC system in the Old Horticulture Building at an estimated cost of \$475,000. Funding for this project will be \$237,500 in FY14 HEFF funds, \$202,383 reallocated from the Ag Museum Air Handling FY14 HEFF project and \$37,117 from FY14 HEFF planning and design funds.

Approve SDSU’s revised request to construct and equip a clean room lab space in the Daktronics Engineer Hall at a cost of \$700,000. Funding for this phase of the project will be \$459,485 for construction costs from indirect overhead and \$240,515 for equipment and installation from university support fees and tuition.

A copy of the M&R Institutional Project Updates can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**RESOLUTION OF RECOGNITION**

Approve the proposed request to recognize Timothy Henderson (SDSM&T) for his years of dedicated service to the public higher education system of South Dakota. The resolution was read aloud. Motion passed. All voted AYE. The MOTION CARRIED. A copy of the Resolution of Recognition can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**SUBSTANTIVE**

**BHSU JONAS SCIENCE RENOVATION FACILITY PROGRAM PLAN**

IT WAS MOVED by Regent Jewett, seconded by Regent Hansen to approve BHSU's Facility Program Plan to renovate the Jonas Science Building at an estimated cost of \$3,750,000. Funding for this project will come from the issuance of HEFF Bonds in the amount of \$1,250,000, federal funds of \$150,000, university overhead funds of \$250,000, and \$2,100,000 from private donations. All voted AYE. The MOTION CARRIED. A copy of the BHSU Jonas Science Renovation Facility Program Plan can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**NSU JOHNSON FINE ARTS CENTER RENOVATION AND ADDITION FACILITY PROGRAM PLAN**

IT WAS MOVED by Regent Hansen, seconded by Regent Jewett to approve NSU's Facility Program Plan to construct an addition to and renovate the Johnson Fine Arts Center at an estimated cost of \$7,750,000. Funding for this project will come from the issuance of HEFF Bonds in the amount of \$5,000,000 along with \$2,750,000 in private donations. All voted AYE. The MOTION CARRIED. A copy of the NSU Johnson Fine Arts Center Renovation and Addition Facility Program Plan can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**SDSM&T WELLNESS AND RECREATION CENTER ADDITION FACILITY PROGRAM PLAN**

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to approve SDSM&T's Facility Program Plan to construct a Wellness and Recreation Center addition to the existing King Center and to renovate a portion of the King Center at an estimated cost of \$8,900,000. Funding for this project will come from a proposed \$10 per credit hour General Activity Fee (GAF) increase that will generate \$6,700,000 towards the project along with an estimated \$2,200,000 in private gifts to the SDSM&T Foundation. The project will not proceed to bonding until the \$2,200,000 in private gifts is available. All voted AYE. The MOTION CARRIED. A copy of the SDSM&T Wellness and Recreation Center Addition Facility Program Plan can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**SDSU ARCHITECTURE, MATHEMATICS AND ENGINEERING BUILDING FACILITY DESIGN PLAN**

IT WAS MOVED by Regent Schaefer, seconded by Regent Hansen to approve SDSU's Facility Design Plan to construct the Architecture, Mathematics and Engineering Building at an estimated cost of \$17,082,800. The 61,750 square foot building will be funded by the issuance of HEFF bonds in the amount of \$10,000,000 with additional funds of \$7,082,800 coming from donations guaranteed through the SDSU Foundation. All voted AYE. The MOTION CARRIED. A copy of the SDSU Architecture, Mathematics and Engineering Building Facility Design Plan can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**SDSU PHYSICAL EDUCATION COMPLEX FROST ARENA HVAC REPLACEMENT FACILITY PROGRAM PLAN**

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to approve SDSU's Facility Program Plan to replace the HVAC system in the Physical Education Complex / Frost Arena at an estimated cost of \$2,100,000. Approval of this project will allow SDSU to continue project planning. Currently, SDSU has set aside \$1,397,974 from FY13 and FY14 allocated HEFF funds, plus \$575,000 in residual FY12 and FY13 HEFF project funds. Additionally, SDSU will reallocate the FY14 HEFF Ag Museum window replacement project of \$130,000 to the Frost Arena HVAC costs. All voted AYE. The MOTION CARRIED. A copy of the SDSU Physical Education Complex Frost Arena HVAC Replacement Facility Program Plan can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**BOR POLICY 6:6 – MAINTENANCE AND REPAIR**

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to approve the changes to BOR Policy 6:6 – Maintenance and Repair. All voted AYE. The MOTION CARRIED. A copy of the BOR Policy 6:6 – Maintenance and Repair can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**RESOLUTION REQUESTING THE GRANT OF PERPETUAL UTILITIES EASEMENT OVER PROPERTY OCCUPIED BY THE UNIVERSITY CENTER, SIOUX FALLS, IN SIOUX FALLS, MINNEHAHA COUNTY, SOUTH DAKOTA**

IT WAS MOVED by Regent Jewett, seconded by Regent Hansen to adopt the attached resolution pursuant to the power vested in the Board under SDCL § 5-2-10, requesting the Commissioner of School and Public Lands to draw up all necessary documents and to request that the Governor approve the grant to Sioux Valley Southwestern Electric, Inc., d.b.a. Sioux Valley Energy of a perpetual utilities easement over the East Ten Feet (E10') of the West Thirty Three Feet (W 33') of Tract 1 of South Dakota, as shown on an engineering document set forth as Exhibit A to the resolution and incorporated therein as though fully set forth. All voted AYE. The MOTION CARRIED. A copy of the Resolution Requesting the Grant of Perpetual Utilities Easement Over Property Occupied by the University Center, Sioux Falls, in Sioux Falls, Minnehaha County, South Dakota can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**ENERGY PERFORMANCE CONTRACT**

IT WAS MOVED by Regent Jewett, seconded by Regent Hansen to appoint a Building Committee representative that will interview and select potential energy performance service contractors. Once selected, the Building Committee may also approve projects that would fall under the contract. Projects would be brought back to the Board before approval. All voted AYE. The MOTION CARRIED. A copy of the Energy Performance Contract item can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **BOR POLICY 5:5:1 TUITION AND FEES: STATE-SUPPORT TUITION**

IT WAS MOVED by Regent Hansen, seconded by Regent Jewett to approve the changes to BOR Policy 5:5:1 Tuition and Fees: State-Support Tuition. All voted AYE. The MOTION CARRIED. A copy of the BOR Policy 5:5:1 Tuition and Fees: State-Support Tuition can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **BOR POLICY 5:5:2 TUITION AND FEES: SELF-SUPPORT TUITION**

IT WAS MOVED by Regent Schaefer, seconded by Regent Hansen to approve the changes to BOR Policy 5:5:2 Tuition and Fees: Self-Support Tuition. Regents Hansen and Schaefer voted AYE. Regent Jewett voted NAY. The MOTION CARRIED. A copy of the BOR Policy 5:5:2 Tuition and Fees: Self-Support Tuition can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **BOR POLICY 3:2 – RESIDENT AND NONRESIDENT CLASSIFICATION OF STUDENTS**

IT WAS MOVED by Regent Hansen seconded by Regent Schaefer to approve the changes to BOR Policy 3:2 - Resident and Nonresident Classification of Students. All voted AYE. The MOTION CARRIED. A copy of the BOR Policy 3:2 – Resident and Nonresident Classification of Students can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **Full Report**

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

### **STUDENT ORGANIZATION AWARDS – NORTHERN STATE UNIVERSITY**

Dr. Calvin Phillips, NSU Vice President of Student Affairs, and Mr. Bart Carithers, NSU Director of Student Affairs, presented NSU's student organization awards.

Honors Program Club accepted the award for Academic Excellence. The Honors Program Club is made up of members of the NSU Honors Program; this club meets monthly and hosts social events for all NSU students Wolf Pack Orientation accepted the award for Community Service. The Wolf Pack Orientation organization is designed to help students make a successful transition to college life. National Association for Music Educators accepted the award for Organizational Leadership. The purpose of NSU NafME is to improve and support the academic and social environment for future music educators and music education in the area, region, and state through community outreach and welcoming music educators and students to NSU.

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

## **FY14 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 SDSM&T. Program fees and room and board are not included in the calculation of the mandatory fees, since they are not assessed to all students.

The FY14 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. She explained that the proposal's impact to students within the system will be a cost increase of \$334.88 per year or 4.4%.

She said several cost drivers influence our tuition and fee rates for the upcoming year. The state salary policy will be 3%, plus a 3.5% movement to midpoint, and a 14.7% or \$934 per FTE increase in health insurance premium. We must fund approximately 49% of the cost increase with tuition, fees, and student charges, or an additional \$4.2 million.

She noted that the proposal this year does not include an increase for salary competitiveness, in order to keep the annual mandatory tuition and fees increase down.

She further explained that the Board has traditionally recognized the effects of inflation on purchasing power and this proposal includes inflation on the operating expense budgets for the tuition and fee base. The CPI inflation index as determined by BFM for the last fiscal year was 2.95%. This inflationary increase will be applied to the operating expense base. The Board will need to generate an additional \$1.4 million from tuition and fee sources to cover inflation.

Ms. Garrett further described the proposal to adjust tuition and fees for FY14 with specific attention to differential tuition rates, specific programs, self-support tuition, and multiple fees.

She also gave a brief description of the Sanford School of Medicine request to change the Indians Into Medicine (INMED) transfer protocol to admit Native American students in the first year of medical school at in-state tuition rates. USD is requesting approval to allow the students to be admitted as resident students provide diversity in the student body as well as continue to provide a diverse group of physicians to serve our communities.

IT WAS MOVED by Regent Hansen, seconded by Regent Weber to approve the proposed FY14 Tuition and Mandatory Fees as presented in Attachment III, page 15 as well as to give approval to allow the Indians Into Medicine program to admit its students as resident students.

IT WAS MOVED by Regent Jewett, seconded by Regent Morris to amend the motion on the floor to include continuation of the salary enhancement policy by .5%.

Regent Jewett explained that in the past, this fee kept our faculty salaries competitive and able to hire good faculty. He said the continuation of this fee will keep this mechanism in place which is necessary because there will be hard times again.

Regent President Johnson clarified that the half percent would be added to the proposed tuition increase of 4.4%, resulting in a total of 4.9% tuition increase.

Regents discussed their individual reactions, opinions, and preferences pertaining to the amended motion regarding salary policy.

Dr. Warner urged the group not to support the amendment. He said this is the year to keep tuition and fees low as well as education affordable. There may be a point in future years when this can be reinstated in some form.

Regent President Johnson called the question.

ROLE CALL VOTE:

BALOUN – NO  
HANSEN – NO  
JEWETT – YES  
KROGMAN – YES  
MORRIS – YES  
PAGONES – NO  
SCHAEFER – NO  
WEBER – NO  
JOHNSON – NO

Six members voted NO, three voted YES. The MOTION WAS DEFEATED.

Regent Hansen called the question, Regent Baloun seconded.

ROLE CALL VOTE:

BALOUN – YES  
HANSEN – YES  
JEWETT – YES  
KROGMAN – NO  
MORRIS – NO  
PAGONES – YES  
SCHAEFER – YES  
WEBER – YES  
JOHNSON – YES

Seven members voted YES, two voted NO. The MOTION CARRIED.

Returning to the original motion to approve the proposed FY14 Tuition and Mandatory Fees as presented in Attachment III, page 15 as well as to give approval to allow the Indians Into Medicine program to admit its students as resident students.



**ROLE CALL VOTE:**

BALOUN – YES  
HANSEN – YES  
JEWETT – NO  
KROGMAN – NO  
MORRIS – NO  
PAGONES – YES  
SCHAEFER – YES  
WEBER – YES  
JOHNSON – YES

Six voted YES, three voted NO. The MOTION CARRIED.

A copy of FY14 Tuition & Mandatory Fees can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**FY14 SYSTEM AND INSTITUTIONAL FEES**

Ms. Garrett reviewed the proposals for the system and institutional fees for services and higher cost disciplines. She summarized all new fees and fees being increased above inflation.

IT WAS MOVED by Regent Baloun, seconded by Regent Schaefer to approve the system and institutional fees as presented in Attachment II.

The board engaged in discussion regarding fees and differential tuition.

Regent President Johnson said some years ago the board changed what was allowed to be funded by discipline fees. At one time discipline fees couldn't be used for salaries; however, this changed a few years ago. She said discipline fees can be used to enhance salaries in certain program areas.

All members voting AYE. The MOTION CARRIED.

A copy of FY14 System and Institutional Fees can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

**FY14 GRADUATE ASSISTANT STIPENDS**

Ms. Garrett explained that the Board has traditionally increased the minimum amount of the graduate assistant stipends by the rate of increase in resident graduate tuition. She summarized the proposed increases for the different schools for FY14.

After questions, Dr. Kramer explained that this is the minimum amount graduate assistants can receive. The institutions have flexibility to increase this amount if they need to in order to be competitive.

IT WAS MOVED by Regent Weber, seconded by Regent Baloun to approve BHSU, DSU, and NSU proposed FY14 minimum graduate assistant stipends in the amount of \$3,239 per semester and \$809 per four-week session and SDSM&T, SDSU, and USD proposed FY14 minimum graduate assistant stipends in the amount of \$3,374 per semester and \$843 per four-week session. All members voting AYE. The MOTION CARRIED.

A copy of FY14 Graduate Assistant Stipends can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **FY14 SPECIAL SCHOOLS TUITION & FEES**

Ms. 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. She said that SDSBVI currently 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 \$32,623 for instructional costs and \$13,186 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 Baloun, seconded by Regent Morris to approve the FY14 Special Schools Non-Resident Tuition rate at \$33,585 for instructional costs and \$13,575 for residential care. All members voting AYE. The MOTION CARRIED.

A copy of FY14 Special Schools Tuition & Fees can be found on pages \_\_\_\_ to \_\_\_\_ of the official minutes.

### **ELECTION OF OFFICERS**

Regents Baloun and Jewett served on the nominating committee. Regent Jewett presented their nomination of Dean Krogman as president; Randy Schaefer as vice president; and Randy Morris as secretary to take affect at the meeting's end.

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

Regent Krogman stated his appreciation for the confidence of the board. He thanked Regent Johnson for her strong service.

Dr. Warner expressed his appreciation for Regent Johnson's leadership and summarized her many accomplishments as board president.

Regent Johnson said it has been a good two years and has appreciated the opportunity.

**ADJOURN**

IT WAS MOVED by Regent Morris, seconded by Regent Baloun to adjourn the meeting of the Board of Regents on April 4 at 10:50 a.m. All members voting AYE. The MOTION CARRIED.