

**BOARD OF REGENTS
MINUTES OF THE MEETING
June 27-29, 2012**

The South Dakota Board of Regents met on June 27-29, 2012 in the Mundt Library at Dakota State University, Madison, 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; Janice Minder, System Student Affairs; Daniel Palmer, Director of Institutional Research; Paul Gough, Director of Policy and Planning; Barbara Basel, Director of Human Resources; Monte Kramer, System Vice President of Finance and Administration; Dave Hansen, Director of Information Technology; Heather Forney, Financial Compliance Officer; Claudean Hluchy, Budget Manager; Molly Weisgram, Executive Administrative Assistant; James Abbott, USD; David Chicoine, SDSU; David Borofsky, DSU; Kay Schallenkamp, BHSU; Marjorie Kaiser, SDBVI and SDSU; Mark Lee, UC-Sioux Falls; Ron Woodburn, CUC; Craig Johnson, UC-Rapid City; Wes Tschetter, Jill Thorngren, Jaime Nolan Andrino, Kristi Tornquist, Dennis Papini, SDSU; Tim Henderson, Duane Hrcir, SDSM&T; Cecelia Wittmayer, Pat Keating, Corey Braskamp, Micki Kreidler, Kacie Fodness, DSU; R. Lee Ginsbach, SDSBVI/SDSU; Rhoda Smith, Tom Hawley, Veronica Paulson, NSU; Rocky Maier, Rod Custer, BHSU; Sheila Gestring, Chuck Staben, USD; Rory Fenske, Student Federation; Matt Fuks, SDSU Alumni Association; Loren Paul, SDEA/COHE; John H. Mills, Mills Development Corporation; students, faculty and members of the press.

WEDNESDAY, JUNE 27, 2012

The Regents convened in open session at 6:00 p.m. on Wednesday, June 27, 2012, in the Mundt Library, Room 201, at Dakota 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 Wednesday, June 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 Thursday, June 28, 2012, in order to discuss personnel matters; pending and prospective litigation, contractual and collective bargaining 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.

THURSDAY, JUNE 28, 2012

Regent President Kathryn Johnson called the meeting of the Board of Regents to order at 1:45 p.m. on June 28, 2012, and declared a quorum present.

WELCOME AND PRESENTATION BY DSU INTERIM PRESIDENT DAVID BOROFSKY

Interim President David Borofsky welcomed the audience to Dakota State University. He introduced three faculty members: Dr. Jack Walters, Professor of Management / Continuous Quality Improvement Coordinator; Keith Bundy, Assistant Dean for Student Development; and Chris Olson, Lecturer of Information Systems. These faculty members, all part of DSU's barrier free committee, gave a brief update on the barrier free committee and its activities.

APPROVAL OF THE AGENDA

IT WAS MOVED by Regent Hansen, seconded by Regent Pagones 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 Jewett, seconded by Regent Hansen to approve the minutes of the May 15-17, 2012 meeting. All members voting AYE. The MOTION CARRIED.

REPORT AND ACTIONS OF EXECUTIVE SESSION

Upon convening at 6:00 p.m. on Wednesday, June 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 Thursday, June 28, 2012, in order to discuss personnel matters; pending and prospective litigation, contractual and collective bargaining 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 and collective bargaining matters, consulted with legal counsel, and gave directions to its executive director and general counsel concerning these matters.

IT WAS MOVED by Regent Schaefer, seconded by Regent Hansen that the Board approve directions given to the executive director and the general counsel with respect to matters discussed in executive session, that it:

1. Approve the personnel actions as submitted by the Board office, campuses, and special schools. A copy of the personnel actions can be found on pages ____ to ____ of the official minutes.
2. Approve the administrative actions to accept the appointment of Mr. Jeffery Dittman for the position of DSU Athletic Director and Head Women's Basketball Coach at an annualized salary of \$90,000 effective June 22, 2012; accept the appointment of Ms. Tracy Green for the position of SDSU's university counsel at an annualized salary of \$125,000 effective June 22, 2012; and accept the appointment of Mr. Jesús Garcia Treviño for the position of USD associate vice president for diversity at the annualized rate of \$125,000 effective July 30, 2012.
3. Approve one (1) year of prior service credit toward tenure for Dr. Alyssa Kiesow, NSU.
4. Award the title Professor Emeritus of Agriculture and Biosystems Engineering to Mylo Hellickson (SDSU); and the title Professor Emerita to Rosanne Yost (USD).
5. Approve SDSU's request to appoint Dr. Eluned Jones to the position of head of the Department of Economics, with tenure and at the rank of full professor.
6. Approve the leave requests for Robert Watrel for the spring 2013 semester (SDSU).

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 June 12 in Pierre where they discussed most of the items that appear on the agenda for this meeting. In addition, they discussed progress in this year's audit findings. He recognized the work done by Monte Kramer, Vice President of Finance and Administration, and Heather Forney, Financial Compliance Officer. He reported that the council talked about the legislative summer study on the funding of higher education as well as discussed upcoming August retreat items.

SDSU President David Chicoine introduced new members of the leadership team: Jill Thorngren, Dean of College of Education and Human Sciences; Jaime Nolan Andrino, Chief Diversity Officer; Kristi Tornquist, Chief Librarian; and Dennis Papini, Dean of Arts and Sciences. President Chicoine also introduced new leaders not in attendance: Kinchel Doerner, New Dean of Graduate School; Kathleen Fairfax, Assistant Vice President of Academic, International Affairs and Outreach; Tracy Greene, University Counsel; Eluned Jones, Dean of Economics; James Doolittle, Associate Vice President for Research; Will Aylor, Director of Commercialization and Tech Transfer.

USD President James Abbott introduced Dr. Mary Nettleman as the new Dean of the Sanford School of Medicine.

BHSU President Kay Schallenkamp introduced new student leadership, Rocky Maier and Taylor Degen.

REPORT AND ACTIONS OF THE EXECUTIVE DIRECTOR

In NSU President James Smith's absence, Dr. Warner recognized NSU Vice President for Student Affairs Rhoda Smith who is leaving her post.

Dr. Warner referenced a few items of importance on the agenda.

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 Fenske, student federation executive director, reported that the student federation convened the previous evening. Mr. Fenske reported the goals that the federation is working toward this year. President Johnson emphasized the importance of the students' vote in this year's elections. Regent Jewett suggested they work to get a polling place set up on the campuses as it has proven to be an effective method of getting students to vote nationally.

STUDENT ORGANIZATION AWARDS – SOUTH DAKOTA STATE UNIVERSITY

Jesse Kane, Vice President/Dean of Student Affairs, presented DSU's student organization awards.

Phi Beta Lambda (PBL) accepted the award for Academic Excellence. PBL's mission is to bring business and education together in a positive working relationship through innovative leadership and career development programs. Students in Free Enterprise (SIFE) accepted the award for Community Service. The goals of SIFE are to apply students' knowledge of financial literacy, success skills, market economics, ethics, and entrepreneurship to community needs and problems. Colleges Against Cancer (CAC) accepted the award for Organizational Leadership. CAC goal is to eliminate cancer by helping raise cancer awareness by supporting American Cancer Society programs in college and university communities.

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

CES/AES Update

SDSU President David Chicoine and SDSU College of Agriculture Dean Barry Dunn offered implementation updates regarding the restructuring of the CES and AES programs due to cuts in

state appropriations the preceding two years as well as an additional funding reduction of 10% for Fiscal Year 2012 (FY12).

Dean Dunn said that with accumulated budget reductions over the past three fiscal years totaling \$1,218,644 for the Cooperative Extension Service and a combined three-year total cut of \$1,734,354 for the Agricultural Experiment Station, both programs required significant reorganization.

Dean Dunn reviewed the implementation plan and gave highlights of the work done in the restructure. He noted that he continues to feel confident that this remodel is the correct model for the future. He also noted that productivity of the programs is very high relative to the resources allocated to them.

Dean Dunn fielded questions related to commodities groups and their concerns. He stated that the groups' number one concern is funding agriculture research. He said they are working other funding angles but without more state funding he said it will be difficult to fund more research. Federal funding for the next fiscal year is level but likely there will be reductions in federal funding in the coming years.

A copy of CES/AES Update can be found on pages _____ to _____ of the official minutes.

SDSU – REQUEST FOR PROPOSALS FOR PRIVATE, UPSCALE, CONTEMPORARY-STYLE APARTMENT

Dr. James Shekleton and Dr. Monte Kramer explained that South Dakota State University requests that the Board allow the issuance of a request for proposals to expand student housing by means of a ground lease to a private investor who would assume full responsibility to finance, construct, operate, and maintain a residence facility. The object of the arrangement would be to provide for student housing without creating any obligation that would affect the debt capacity of the university or the Board and without any adverse effect on the financial rating of the university or of the Board's consolidated, multi-institutional revenue system.

They explained that the use of privately operated facilities to supplement housing stocks may provide the Board with an additional mechanism to manage system financial obligations. If privately financed and operated projects can be used by the universities to increase student housing without affecting Board system bonded debt burden, the benefits would be felt both at institutions situated in housing markets that could support such developments and at institutions where privately operated facilities would not be economically viable.

The issues and opportunities inherent in the SDSU proposal have consequences for the Board's ability to manage the finances for all universities. Because the proposal envisions a set of relationships that differs from those assumed in existing policy, it is appropriate for the Board to establish a special process to evaluate the viability and the value of the proposed strategy.

Regents asked clarifying questions about the item.

Regent President Johnson invited testimony of opponents and proponents:

Dr. Dennis Bielfeldt, Den-Wil Investments, Inc, testified as an opponent.

Tim Reed, Mayor of Brookings, testified as a proponent.

Ryan Brunner, Brookings Economic Development Corp., testified as a proponent.

Matt Fuks, President and CEO of SDSU Alumni Foundation, testified as a proponent.

Steve Erpenbach, President and CEO of SDSU Foundation, testified as a proponent.

David Kneip, representing the unrepresented investors in the Brookings community, testified as an opponent.

John Mills, second generation builder and developer in Brookings, testified as an opponent.

Anthony Sutton, SDSU student senator, testified as a proponent.

Peter Mork, owner of 200 apartment rentals in Brookings, testified as a proponent (via email).

Regent Schaefer mentioned the inconsistency in testimony of whether or not there is a demand. Other regents said if an RFP is issued and we receive proposals, there is likely research that supports that there is a demand. If there are no proposals, that would suggest there isn't a true demand.

Regent Jewett said legal restrictions involving the placement of liens against state land may present challenges, but that these can be addressed within the parameters of the lease document. He said he believes there is worth in exploring the issue.

Regent Baloun said he believes this should only be considered for the purpose of providing on-campus, apartment-style housing for upper division and graduate students. He acknowledged concerns with the more extensive plans published in 2009 that envisioned retirement housing on lands proximate to the core academic facilities or first-floor commercial spaces as part of the apartment-style residence facilities. He emphasized that the authorization to issue request for proposals was limited to proposals for facility to contain student residences only and did not include any of the other elements of the 2009 proposals. There are a number of hurdles that may not be able to be conquered.

Regent Weber said he is struggling with the fact that the board serves the students. He said this proposal will allow us to evaluate the students' needs. Regent Schaefer reminded the group that students are the board's priority but not the only constituent group we serve.

Dr. Warner said that upper-class students, who live on or near campus, tend to perform better. There is academic value in finding a mechanism to house such students on campus.

Regent Baloun requested that if this is approved, the committee would like to remain open in communication with the private developers.

IT WAS MOVED by Regent Baloun, seconded by Regent Morris to authorize the Board President to appoint an ad hoc committee to issue on behalf of the Board a Request for Proposals (RFP) for such a project, to evaluate proposals submitted, and to make recommendations to the Board; and to direct that the RFP provide that acceptance of any proposal will be contingent upon confirmation by one or more rating agencies selected by the Board that the financial commitments for the construction, operation, and maintenance of the facility, from inception through termination of the ground lease and associated development and operating agreements, will not reduce the debt capacity of the university or the Board and will have no adverse effect on the financial rating of the university or of the Board's consolidated, multi-institutional revenue system. All members voting AYE. The MOTION CARRIED.

A copy of SDSU – RFP for Private, Upscale, Contemporary-Style Apartment can be found on pages _____ to _____ of the official minutes.

STUDENT ATHLETIC INSURANCE

Dr. Janice Minder explained that the system has been reviewing the need for a System Student Athletic Insurance policy. With direction from the Executive Director and university presidents, Dr. Minder pursued a system athletic insurance plan. She said the plan she sought out was a secondary plan that would be fully insured since some health insurance plans do not cover intercollegiate sports injuries. The plan would meet the following needs: (1) create a secondary fully-insured plan that would cover all student athletes in NCAA Division I, NCAA Division II, and NAIA sanctioned sports; (2) allow the administration and cost of the plan to be managed by the University based on their athletic policy and needs and thereby allowing BHSU, DSU, SDSMT and NSU charge the athletes while allowing USD and SDSU to continue with their practice; (3) create a benefit plan structure that would replicate that of SDSU's and USD's current plan and be adjudicated by the vendor versus the campus staff; and (4) utilize the current full-insurance vendor that South Dakota uses.

The current vendor being utilized is Dissinger Reed. The University of South Dakota has utilized Dissinger Reed for six years. By deploying the current USD plan for the system, South Dakota was able to realize a plan savings by increasing the population for USD as well as a package plan for the system.

Clarifying questions were asked and answered.

IT WAS MOVED by Regent Baloun, seconded by Regent Morris to approve Dissinger Reed for the 2012-2013 Academic Year and authorize the system office to work toward completion of the administrative process and plan documentation. All members voting AYE. The MOTION CARRIED.

A copy of the item prepared for Student Athletic Insurance can be found on pages ____ to ____ of the official minutes.

STUDENT HEALTH INSURANCE

Dr. Minder explained that due to our need to implement the benefit changes described in the February 9, 2011 ruling by the US Department of Health and Human Services, the South Dakota Board of Regents had the current vendor (Avera Health Plans (AHP) provide a renewal proposal with the federal changes as provided for under our current contract as well as requested Midwest Higher Education Compact (MHEC) to provide a proposed rate since the state of South Dakota has a membership with MHEC. She said that both vendors had competitive proposals, but after much consideration and discussion, it is the recommendation of the Executive Director to go with Avera Health Plans due to its already well-established automated process with SDBOR.

She explained changes required due to the federal reform. She also stated that the premium increase being recommended through the Avera Health Plan is 18.56%. She said even though the changes are demanded through the reform, the changes are positive, creating a much richer plan for students. There will be further changes required due to the health reform as well.

IT WAS MOVED by Regent Morris, seconded by Regent Pagonos to approve the renewal of the Avera Health Plan and authorize the system office to work with AHP to complete the plan documentation for Academic Year 2012-2013.

A copy of the item prepared for Student Health Insurance can be found on pages ____ to ____ of the official minutes.

COMPETITIVE RESEARCH GRANT AWARD UPDATE

Dr. Turman summarized the criteria of the Competitive Research Grant Award. He said this year 52 proposals were received and \$4.5 million dollars will be allocated out to six awards to faculty members from School of Mines, University of South Dakota, and South Dakota State University. He said the impact of the awards, which are relatively small, is great as they receive a significant return on investment.

A copy of Competitive Research Grant Award Update can be found on pages ____ to ____ of the official minutes.

NEW PROGRAM REQUESTS

DSU M.S. in Applied Computer Science

IT WAS MOVED by Regent Hansen, seconded by Regent Morris to approve the Dakota State University proposal for an M.S. in Applied Computer Science and to authorize Dakota State University to deliver the M.S. in Applied Computer Science using distance technology. All members voting AYE. The MOTION CARRIED.

A copy of DSU M.S. in Applied Computer Science can be found on pages _____ to _____ of the official minutes.

NSU A.S. in Biotechnology

IT WAS MOVED by Regent Hansen, seconded by Regent Morris to approve the Northern State University proposal for an A.S. in Biotechnology. All members voting AYE. The MOTION CARRIED.

A copy of NSU A.S. in Biotechnology can be found on pages _____ to _____ of the official minutes.

NSU Master of Music Education

IT WAS MOVED by Regent Hansen, seconded by Regent Morris to approve the Northern State University proposal for a Master of Music Education and to authorize Northern State University to deliver the Master of Music Education using distance technology. All members voting AYE. The MOTION CARRIED.

A copy of NSU Master of Music Education can be found on pages _____ to _____ of the official minutes.

USD B.S. in Medical Biology

IT WAS MOVED by Regent Hansen, seconded by Regent Morris to approve the University of South Dakota's proposal for a B.S. in Medical Biology. All members voting AYE. The MOTION CARRIED.

A copy of USD B.S. in Medical Biology can be found on pages _____ to _____ of the official minutes.

USD Minor in Conservation and Biodiversity

IT WAS MOVED by Regent Hansen, seconded by Regent Morris to approve the University of South Dakota's proposal for a Minor in Conservation and Biodiversity. All members voting AYE. The MOTION CARRIED.

A copy of USD Minor in Conservation and Biodiversity can be found on pages _____ to _____ of the official minutes.

USD Minor in Finance

IT WAS MOVED by Regent Hansen, seconded by Regent Morris to approve the University of South Dakota's proposal for a Minor in Finance. All members voting AYE. The MOTION CARRIED.

A copy of USD Minor in Finance can be found on pages _____ to _____ of the official minutes.

USD Minor in Marketing

IT WAS MOVED by Regent Hansen, seconded by Regent Morris to approve the University of South Dakota's proposal for a Minor in Marketing. All members voting AYE. The MOTION CARRIED.

A copy of USD Minor in Marketing can be found on pages _____ to _____ of the official minutes.

USD Minor in Sustainability

IT WAS MOVED by Regent Hansen, seconded by Regent Morris to approve the University of South Dakota's proposal for a Minor in Sustainability. All members voting AYE. The MOTION CARRIED.

A copy of USD Minor in Sustainability can be found on pages _____ to _____ of the official minutes.

NEW SITE REQUEST: SDSM&T M.S. IN CONSTRUCTION MANAGEMENT, INTERNET

IT WAS MOVED by Regent Baloun, seconded by Regent Pagonos to authorize South Dakota School of Mines and Technology to offer the M.S. in Construction Management using the Internet. All members voting AYE. The MOTION CARRIED.

A copy of New Site Request: SDSM&T M.S. in Construction Management, Internet can be found on pages _____ to _____ of the official minutes.

BOR POLICIES 2:7 AND 2:26 – PLACEMENT POLICY REVISION

Dr. Sam Gingerich explained that this item relates to the system's placement policies. He said the system and the system's Councils have had a series of discussions about placement and remediation since studies have shown that reviewing and revising policies and guidelines that drive placement and remediation is another step states can take to increase the opportunities for student success.

He said this item is brought before the board due to the system's involvement in Complete College America. Because the system has aggressively looked at the ways in which it can improve or increase the number of students holding a postsecondary degree credential, they are focusing on some of the items Complete College America has identified.

He said according to recent research, the common approach of placing students into courses based on a single exam and a single cut score is proving to be inadequate, and it often relegates students to one or more semesters of developmental education that they do not need. In response

to this, there is a growing recognition that multiple and more precise measures should be used to determine students' readiness for college-level work and the most appropriate interventions to address their skill deficits.

For more than a decade, the Regental system has used a single cut score for placement into entry level courses in English and mathematics. This requirement, established in policy, is based on the ACT or on Compass. While this strategy has served the system well, success rates in entry level classes demonstrates the need to reconsider the approaches used. However, before alternatives can be piloted, policy will need to be revised.

Dr. Gingerich said the first revision to policy will allow the use of the College Board's Accuplacer in addition to or in lieu of ACT's Compass exam. This recommendation was formulated by the system's Assessment Committee and it is supported by other Councils. This recommendation is made primarily because it is difficult to offer the Compass exam off-campus while the Accuplacer can commonly be administered in high schools by appropriate personnel or in other similar proctored sites. Since this exam is also widely used and is similar in validity, the Councils do not see this as a major change.

He said the second revision proposed allows the system to use other academic achievement information as placement decisions are made. It should be noted that placement will still be binding. While students may be offered to complete remedial work either as a prerequisite course or as a corequisite course, those students identified as deficient will be required to complete remedial work.

Clarifying questions asked and answered.

IT WAS MOVED by Regent Morris, seconded by Regent Baloun to approve the proposed changes to BOR policies 2:7 and 2:26 on placement. All members voting AYE. The MOTION CARRIED.

A copy of BOR Policies 2:7 and 2:26 – Placement Policy Revision can be found on pages _____ to _____ of the official minutes.

FY11 AUDIT REVIEW

Heather Forney, Financial Compliance Officer, explained the recently released FY11 Statewide Comprehensive Financial Report (CAFR). She said the BOR system received 15 audit adjustments and one audit finding. This is a decrease from FY10 where there were 54 audit adjustments and 5 audit findings. The majority of the audit adjustments in FY11 were reclassification entries.

She explained that she has prioritized the Posted Auditor Adjustments based upon the level of significance and materiality of the dollar amounts. The 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 2012.

She congratulated the campuses and staff for the good work they put into this.

A copy of the FY11 Audit Review can be found on pages _____ to _____ of the official minutes.

BOR PROPERTY PURCHASE APPROVAL OF LEGISLATIVELY APPROVED PROPERTY PURCHASES

During the 2012 legislative session, the Board submitted and received approval for legislation for the purchase of two properties; 1) an existing building for the aviation education program and 2) an acreage for the SDSU Cow/Calf unit. SDSU is seeking final Board approval for these two properties.

IT WAS MOVED by Regent Baloun, seconded by Regent Schaefer to authorize the purchase for the sum of \$988,000, for the use as an Aviation Education Hanger, certain improvements on a tract of land, being 13,589 square feet, including a hanger being approximately 130 feet by 82 feet, to also include two small entrance vestibules, situated in the Northwest One-fourth of the Southwest One-fourth (NW1/4SW1/4), Section Twenty six (26), Township One Hundred Ten (110) North, Range Fifty (50) West of the 5th P.M., Brookings County, South Dakota, which tract has been measured and described as Lot X in the City of Brookings airport property.

And to authorize the purchase for the sum of \$133,000, for the use of the Agricultural Experiment Station Cow and Calf research an education unit, a tract of land described as: The Southeast Quarter of the Southwest Quarter of the Southeast Quarter (SE1/4 SW1/4 SE 1/4), EXCEPT the West One Hundred Sixty-Five Feet (W 165') thereof, of Section Thirty-three (33), Township One Hundred Eleven (111) North, Range Fifty-one (51) West of the 5th P.M., Brookings County, South. All members voting AYE. The MOTION CARRIED.

A copy of BOR Property Purchase Approval of Legislatively Approved Property Purchases can be found on pages _____ to _____ of the official minutes.

MEMORANDA OF UNDERSTANDING WITH THE BLACK HILLS STATE UNIVERSITY FOUNDATION AND THE DAKOTA STATE UNIVERSITY FOUNDATION

Dr. Shekleton said Black Hills State University and Dakota State University have requested that the Board adopt amendments to its Memoranda of Understanding with their respective foundations. The new language reaffirms both that the fundraising activities of the foundation give rise to fiduciary duties that run to the institution and that the fundraising activities can only succeed with the direct involvement and cooperation of institutional leadership. The new language also specifies further the nature and range of support that the institution may provide to the related foundation from time to time.

IT WAS MOVED by Regent Jewett, seconded by Regent Hansen to approve the proposed amendments to the Board's Memoranda of Understanding with the Black Hills State University Foundation and the Dakota State University Foundation. All members voting AYE. The MOTION CARRIED.

A copy of Memoranda of Understanding with the Black Hills State University Foundation and the Dakota State University Foundation can be found on pages _____ to _____ of the official minutes.

FRIDAY, JUNE 29, 2012

Regent President Johnson called the meeting of the Board to order at 9:52 a.m.

REPORT AND ACTIONS OF THE COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS

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

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.

New Program Annual Report

Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines and Technology, South Dakota State University, and the University of South Dakota have provided the attached reports on new programs to address enrollments, student assessment, investment of faculty time, and resources in course development. Information only.

Discipline Council Reports

Discipline Councils are designed to permit faculty members working in discipline-based groups to address specific academic issues facing the system. These are established each fall and each Council is asked to submit a summary report at the end of the year. The Council reports were provided to the committee. Information only.

International Activities Annual Report

The Annual International Activities Report provided by each of the universities includes a summary of campus activities, an overview of administrative structure/support for international study, specific goals/objectives for international study especially as these are integrated into programs offered, key initiatives underway, and other related information. The annual report on

international programs also provides historical information on participation by faculty and students. Information only.

Student Early Alert System Update

The Student Early Alert System Update was shared. The initial process of the project was to complete a project charge outlining the scope, timeline, team, vision, objectives, and deliverables. Due to the project charge, the implementation has been developed as a pilot for the Fall 2012 semester.

SDSU –HLC Additional Location Confirmation

South Dakota State University has provided the attached Additional Location Confirmation Report Form (Attachment I) completed following the HLC's visit to the Sioux Falls location. Overall, HLC has stated that the pattern of SDSU's operations at its extended additional locations appears to be adequate, and no further review or monitoring by the HLC is necessary. For information.

CONSENT CALENDAR

Program Modifications - SDSU

Approve the program modification requests for SDSU for the Biology Major; Electronics (Engineering) Technology; Human Development and Family Studies; Master of Science in Counseling and Human Resource Development-Agency Specialization; Medical Laboratory Science; Mathematics, Undergraduate Minor; Statistics, Undergraduate Minor; and the Nursing-Clinical Nursing Leadership Specialization, Nurse Administrator Emphasis.

Program Modifications - SDSMT&T

Approve the program modifications for SDSM&T for the Ph.D. in Geology and Geological Engineering, Geological Engineering Specialization; Ph.D. in Geology and Geological Engineering, Geology Specialization; M.S. in Geology and Geological Engineering, Geological Engineering Specialization; M.S. in Geology and Geological Engineering, Geology Specialization; M.S. in Paleontology; and B.S. in Computer Science.

Program Modifications - BHSU

Approve Black Hills State University's request for a program modification for their Minor in Military Science program.

Program Modifications - USD

Approve USD's program modification requests for the Master of Public Administration, M.P.A.; Bachelor of Business Administration, B.B.A.; Bachelor of General Studies, B.G.S.; Alcohol and Drug Studies (all undergraduate programs); B.S. in Biology; B.S. in Chemistry

Coordinate; CPE-Health Development and Educational Psychology Specialization, Ph.D.; Master of Music; Ph.D. in Political Science; Elementary/Special Education, B.S.Ed.; and the Secondary Education/Special Education, B.S.Ed. programs.

Program Termination – SDSU

South Dakota State University requests approval to terminate their Graduate Minor in Statistics program effective Fall 2012.

Program Termination – NSU

Northern State University has submitted a proposal to terminate the BSEd in Social Science program effective Fall 2012.

Request to Seek Accreditation – SDSU Aviation

South Dakota State University has submitted a request to seek accreditation for its Aviation program from Aviation Accreditation Board International (AABI).

Terminal Degree Update

South Dakota State University has submitted a request to add M.Arch and D.Arch to the set of terminal degrees for the Interior Design discipline.

Implementation of Common Core/Smarter Balance Assessment

A system leadership team is being formed. This group will include faculty from math and English Language Arts, faculty leadership assessment experts, and administrators. The group will be expected to guide and support implementation. Routine updates will be provided.

Articulation Agreements – USD

The University of South Dakota requests approval for the articulation agreements for students completing the AAS in Medical Office Profession at Mitchell Technical Institute to apply credit toward the BS in Health Sciences at USD; and for students completing the AAS in Allied Health at Southeast Technical Institute to apply credit toward the BS in Health Sciences at USD.

Dual Degree Agreement – USD

The University of South Dakota requests approval to establish a dual degree program with Palmer College of Chiropractic. **AGENDA ITEM WAS DEFERRED.**

Memorandum of Understanding – SDSM&T

The South Dakota School of Mines and Technology has submitted cooperative agreements with PRIST University (Ponnaiyah Ramajayam Institute of Science & Technology, India); ICT (Institute of Chemical Technology, Mumbai, India); and PUJ (Pontificia Universidad Javeriana).

Memorandum of Understanding – BHSU

Black Hills State University has submitted a cooperative agreement with Yeungnam University, Gyeongsan, Gyeongbuk, R.O.

Memorandum of Understanding – USD

The University of South Dakota requests approval of an agreement with the Universidad De Vigo (Spain) for study abroad.

SDSBVI Individual with Disabilities Education Act (IDEA) Grant

The South Dakota School for the Blind and Visually Impaired (SDSBVI) requests authorization to submit a request for funding through the Individual with Disabilities Education Act (IDEA) grant program managed by the South Dakota Department of Education. This authorization is required to comply with the requirements of the program.

SUBSTANTIVE ITEMS

New Certificate Request – BHSU

It was moved by Regent Pagonis and seconded by Regent Weber to approve BHSU's request for a certificate in Journalism. Motion passed.

General Education Revisions

It was moved by Regent Weber and seconded by Regent Baloun to approve the proposed revisions to general education for DSU, NSU, and SDSU. Motion passed.

Full Report

IT WAS MOVED by Regent Morris, seconded by Regent Krogman 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:

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.

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.

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 New Headhouse-Greenhouse building selected Davis Design as the architect/engineer to design the project; the Building Committee for the SDSM&T Student Recreation Center met to discuss next steps and elements of an RFP for selecting an architect for the planning and design of the potential facility. Information only.

CONSENT CALENDAR

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

FY12 Maintenance and Repair – Institutional Projects

Approve SDSU's request to install a Gateway Monument near McCrory Gardens site at an estimated cost of \$170,000. Funding for this project will come from donations guaranteed by the SDSU Foundation.

Approve NSU's request to renovate space in MeWaldt Jensen for the SDSU Accelerated Nursing Program at an estimated cost of \$250,000. Funding for this project will come from NSU's Local Cash Reserve fund.

Approve SDSD's request to repair the exterior wall of the Myklebust Building at an estimated cost of \$100,000. Funding for this project will come from local SDSD institutional funds.

SUBSTANTIVE

BOR Policy 5:25 – Auxiliary Revenue System

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to approve BOR Policy 5:25 – Auxiliary Revenue System. All voted AYE. The MOTION CARRIED.

DSU Energy Efficiency and ADA Compliance Infrastructure Project Preliminary Facility Statement

IT WAS MOVED by Regent Jewett, seconded by Regent Hansen to approve DSU's Preliminary Facility Statement request to upgrade their infrastructure for more energy efficiency and ADA compliance. Approval of this request will allow DSU to move forward with their Facility Program Plan for this project. Funding for this project will be \$1,275,000 in future HEFF bonds. DSU requests that a building committee be formed to allow selection of an A/E firm to develop design and cost estimates for the project. All voted AYE. The MOTION CARRIED.

DSU Trojan Center Student Union Renovation Preliminary Facility Statement

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to approve DSU's Preliminary Facility Statement request to renovate the Trojan Center Student Union. Approval of this request will allow DSU to move forward with its Facility Program Plan for this project. Funding for this project will be from the issuance of bonds to be repaid with a future DSU General Activity Fee increase request. This will require the planning phase to include a comprehensive Master Plan of the auxiliary system, including the Student Union. Approval of the PFS allows for planning and does not indicate final approval of the projects. The Board President should appoint a building committee member to this project. All voted AYE. The MOTION CARRIED.

SDSM&T Utility Infrastructure Preliminary Facility Statement

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to approve SDSM&T's Preliminary Facility Statement request to upgrade its infrastructure. Approval of this request will allow SDSM&T to move forward with its Facility Program Plan for this project. Funding for this project will be \$2,740,000 in future HEFF bonds and \$500,000 in future SDSM&T HEFF M&R project funds. SDSM&T requests that a building committee be formed to allow selection of an A/E firm to develop design and cost estimates for the project. All voted AYE. The MOTION CARRIED.

Resolution requesting the approval of a Wetland Plat on the Campus of South Dakota State University

IT WAS MOVED by Regent Schaefer, seconded by Regent Hansen to adopt the resolution requesting the Commissioner of School and Public Lands to draw up and to forward to the

Governor for approval and execution the proposed plat of certain lands lying within the North Half (1/2) of the Northwest Quarter (1/4) of Section Twenty four (24) of Township 110 North, Range 50 West, of the Fifth Prime Meridian, Brookings County, South Dakota, containing 2.28 acres more or less. All voted AYE. The MOTION CARRIED.

SDSM&T Research Facility Preliminary Facility Statement

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to approve SDSM&T's Preliminary Facility Statement request to develop plans for a Research Facility at an estimated cost of \$37,020,000. Approval of this request will allow SDSM&T to move forward with the Facility Program Plan for this project. Funding for this project will be \$6,040,000 in future HEFF bonds and \$31,000,000 in SDSM&T other funds. SDSM&T requests that a building committee be formed to allow selection of an A/E firm to develop design and cost estimates for the project. All voted AYE. The MOTION CARRIED.

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.

UNIVERSITY CENTERS ANNUAL REPORT

Dr. Paul Turman said the *University Centers Annual Report* reflects separate reports from each of these locations highlighting enrollment trends, degree programs, and geographic impact for the students served at these three important off-campus locations. Craig Johnson, executive dean of the University Center – Rapid City; Mark Lee, executive dean of University Center – Sioux Falls; and Ron Woodburn, executive dean of Capital University Center in Pierre gave a brief description of the current happenings at their respective centers.

Regent President Johnson asked a question regarding ideas surrounding hybrid courses as this solution was mentioned by the directors as a solution. The directors mentioned that they are working toward information share surrounding hybrids. UC – Sioux Falls is currently awarding small grants for faculty willing to take on hybrid courses. They are exploring iterations of hybrid courses for student convenience and efficiencies.

Dr. Warner gave his suggestions on how to integrate the hybrid models. He suggested using faculty members who have already transitioned their courses to distance learning.

Statements were made about the need to continually market the brand so that nontraditional learners consider the University Centers when they are ready to go back to school.

Discussions ensued related to student reporting and program growth areas.

A copy of University Centers Annual Report can be found on pages ____ to ____ of the official minutes.

INFORMAL BUDGET HEARINGS

The presidents and superintendent brought forward their top budget priorities for FY14.

President Schallenkamp explained a proposed comprehensive, collaborative effort addressing the teacher shortage on the Indian reservations.

The Board discussed the FY14 budget request priorities with the universities as a roundtable discussion. Further discussion and explanation related to what discipline fees pay for followed.

The Board will be formulating their final recommendations at the August Retreat.

ADJOURN

IT WAS MOVED by Regent Morris, seconded by Regent Weber to adjourn the meeting of the Board of Regents on June 29 at 11:40 a.m. All members voting AYE. The MOTION CARRIED.