

**BOARD OF REGENTS
MINUTES OF THE MEETING
October 8-10, 2013**

The South Dakota Board of Regents met on October 8-10, 2013 in the David B. Miller/Yellow Jacket Student Union at Black Hills State University, Spearfish, South Dakota, with the following members present:

Dean Krogman, President
Randy Schaefer, Vice President
Randy Morris, Secretary
Terry Baloun, Regent
Harvey Jewett, Regent
Kathryn Johnson, Regent
Joe Scharz, Regent
Kevin Schieffer, 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; Daniel Palmer, Director of Institutional Research; Barbara Basel, Director of Human Resources; Monte Kramer, System Vice President of Finance and Administration; Heather Forney, Financial Compliance Officer; Claudean Hluchy, Budget Manager; Dave Hansen, Director of Information Technology; Molly Weisgram, Director of Student Affairs and Assistant to the CEO and Board; James Abbott, USD; David Chicoine, SDSU; David Borofsky, DSU; Kay Schallenkamp, BHSU; Marjorie Kaiser, SDSBVI and SDSD; Heather Wilson, SDSM&T; James Smith, NSU; Lucas Fralick, Lorrin Anderson, D. Wolff, Kelly Kirk, Maxwell Kwenda, Lauren Feldt, Rebecca Clausen, Judy Bauer, Rob Houdek, Don Coble, Kathy Johnson, Kathleen Parrow, Katie Greer, Dan Asunkis, Kristen Kilmer, Michelle Pavelski, Faye Laduke-Pelster, Urla Marcus, Cheryl Anagnopoulos, Jim Hess, BHSU; Loren Paul, SDEA; David Marshall, Pat Mahon, SDSM&T; Ben Stout, Ben Kamrath, Caleb Finck, Brandi Murley, Shaheed Shinan, Daniel Velsek, Courland Melrane, Bryce Kummer, Michael Amen, Wesley Tschetter, Dean Kattelman, Laurie Nichols, Mary Kay Helling, Zach Neubert, SDSU; Matt Fuks, SDSU Alumni Association; Sheila Gestring, Chuck Staben, USD; Veronica Paulson, Calvin Phillips, Tom Hawley, NSU; Judy Dittman, Stacy Krusemark, DSU; Robert Stein, Smarter Balanced Consultant; Bob Mercer, newspaper, and other students, faculty, and members of the press.

TUESDAY, OCTOBER 8, 2013

The Regents convened in open session at 6:00 p.m. on Tuesday, June 18, 2013, in the Student Union, President's Conference Room 205 at Black Hills State University.

IT WAS MOVED by Regent Morris, seconded by Regent Baloun that the Board of Regents Convene and Dissolve into Executive Session at 6:00 p.m. on Tuesday, October 8, 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, October 9, 2013, in order to discuss personnel matters; pending and prospective litigation, contractual 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 report its deliberations while in executive session. All members voting AYE. The MOTION CARRIED.

WEDNESDAY, OCTOBER 9, 2013

Regent President Dean Krogman called the meeting of the Board of Regents to order at 1:30 p.m. on October 9, 2013, and declared a quorum present.

WELCOME AND PRESENTATION BY BHSU PRESIDENT KAY SCHALLENKAMP

BHSU President Kay Schallenkamp welcomed the audience to Black Hills State University. She introduced Katie Greer, BHSU's new coordinator of Sustainability. Dan Asunkis, a BHSU Assistant Professor of Chemistry, explained the larger Sustainability programming at the university. He said the program has recruited more students than expected and students indicate increasing interest.

APPROVAL OF THE AGENDA

IT WAS MOVED by Regent Jewett, seconded by Regent Johnson 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 Sutton to approve the minutes of the annual retreat and regular meeting on August 13-15, 2013 meeting. All members voting AYE. The MOTION CARRIED.

REPORT AND ACTIONS OF EXECUTIVE SESSION

Upon convening at 6:00 p.m. on Tuesday, October 8, 2013, the Board dissolved into executive session in order to discuss personnel matters. As shown on the published agenda, and pursuant to a motion ratifying the purposes stated on the published agenda, it adjourned at 9:00 p.m. and reconvened in executive session at 8:00 a.m. on Wednesday, October 9, 2013, in order to discuss personnel matters; pending and prospective litigation, contractual matters, and to consult with

legal counsel, rising from executive session at 1:30 p.m. to report its deliberations in executive session and to resume the regular order of business.

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

IT WAS MOVED by Regent Morris, seconded by Regent Johnson 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 Roy Osborn (USD) and award an honorary Doctor of Science degree to U.S. Senator Tim Johnson (SDSM&T). A copy of the resolution of recognition can be found on page ____ of the official minutes;
2. Approve awarding three (3) years of prior service credit toward tenure for David Salem (SDSM&T);
3. Approve the sabbatical leave request for Keith W. Whites (SDSM&T) for the 2014-2015 academic year;
4. Approve a housing allowance for the President of BHSU in the amount of \$2,500 per month (\$30,000 a year);
5. Accept the resignation of Jesse Kane, DSU vice president for student affairs, effective October 21, 2013;
6. Accept the reclassification of Michael Adelaine to SDSU's vice president for technology and safety at an annualized salary of \$155,000 as of June 22, 2013; and
7. 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.

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 September 24, 2013 in Pierre. He explained that they discussed all items coming before the board today. He further explained that the theme for this particular meeting had to do with enrollment. At this meeting a press conference took place to report that the system was down very slightly in head count enrollment but was up in about 334 full-time-equivalent students. He said each campus reported on its own unique mix of student profiles.

IT WAS MOVED by Regent Schaefer, seconded by Regent Sutton to approve the report of the Council of Presidents and Superintendents. All members voting AYE. The MOTION CARRIED.

REPORT AND ACTIONS OF THE EXECUTIVE DIRECTOR

Dr. Warner reported that he attended a system conference on September 24 regarding remedial education for the 30% of students who come to the regental institutions in need of remediation. He explained that the system has been working to positively affect remediation by seeding a number of efforts that experiment with co-requisite models that require additional class time in conjunction with courses such as Composition 101. Dr. Warner explained that he was extremely impressed with the innovative work that is being done. He said the next challenge is taking what we've learned from the pilot projects and how to bring these practices to scale. He clarified that campuses looked at remediation efforts for both English and mathematics. He explained that remedial efforts will also be a part of today's agenda as it covers Common Core requirements and the Smarter Balanced Assessment.

IT WAS MOVED by Regent Sutton, seconded by Regent Morris to approve the report and actions of the executive director. All members voting AYE. The MOTION CARRIED.

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

Student Federation Executive Director DJ Smith expressed the federation's appreciation for its meeting held at the Board office in Pierre in September. He said that the information garnered at the meeting helped the federation determine its legislative agenda. He also acknowledged the appreciation by the students for the regents' budget request to freeze tuition. Lastly, he thanked Molly Weisgram for agreeing to be the federation's student affairs mentor.

IT WAS MOVED by Regent Baloun, seconded by Regent Schieffer that the Board approve the report of the Council of Presidents and Superintendents. All members voting AYE. The MOTION CARRIED.

STUDENT ORGANIZATION AWARDS – BHSU

Lois Flagstad, BHSU Vice President for Student Life, presented BHSU's student organization awards.

The History Association accepted the award for Academic Excellence. The History Association contributes to the quality of academic life on campus by showing BHSU students how important history is in everyone's life as well as how interesting it can be. Enactus accepted the award for Community Service. The purpose of Enactus is to create an environment where students from all fields can learn how to work together as a team. The Yellow Jacket Rodeo Team accepted the award for Organizational Leadership. The purpose and goals of the BHSU Rodeo Team are to be successful in competition while improving the community. A copy of the Student Organization Awards – BHSU can be found on pages ____ of ____.

2014 PROPOSED LEGISLATION

Dr. Monte Kramer introduced the institutions' potential legislative items for the Board's consideration. In addition to those submitted and advanced to the Board, Dr. Kramer explained that another building, a temporary building at SDSM&T that they are buying from the seller for one dollar, will be included on the list. Regent Jewett further asked that section explaining the DSU Information Systems Building clearly show that the legislative authorization for money related to new construction be changed to a renovation of the Madison Hospital property for the same purpose.

IT WAS MOVED by Regent Morris, seconded by Regent Johnson to approve the report on 2014 Proposed Legislation with the additional SDSM&T building and clarification regarding the change in authorization of a purchase to renovation for the DSU Information Systems Building. All members voting AYE. The MOTION CARRIED.

A copy of the 2014 Proposed Legislation can be found on pages ____ to ____ of the official minutes.

FY2013 DISTANCE EDUCATION REPORT

Dr. Daniel Palmer explained that the Distance Education Report provides a summary of performance data related to SDBOR's distance delivery initiatives. He explained that all major indicators for distance education activity were up in FY2013. However, annual growth rates were somewhat smaller than those reported in last year's Distance Education Report.

Regent Johnson asked for clarification that two-thirds of our students take an online class. Dr. Palmer acknowledged this fact and said this reaffirms the enrollment information presented at the August Board retreat. In response to a question, Dr. Palmer explained that unique courses are defined as unduplicated sections.

It was acknowledged that completion rates are comparable for those taking distance courses and traditional in-person classes. Further, the regents discussed that 30% of students who take online courses are out-of-state students.

IT WAS MOVED by Regent Sutton, seconded by Regent Jewett to approve FY2013 Distance Education Report. All members voting AYE. The MOTION CARRIED.

A copy of FY13 Distance Education Report can be found on pages ____ to ____ of the official minutes.

SDSU NEW FOOTBALL STADIUM FACILITY PROGRAM PLAN

Dr. Kramer asked SDSU Facilities Manager Dean Kattelman to give an overview of the project. Mr. Kattelman explained that SDSU requests approval of its New Football Stadium Facility Program Plan at an estimated cost of \$60,000,000 to \$65,000,000.

He said the building committee met in September 2013 and authorized the selection process for a Construction Manager at Risk for the project so better cost estimates could be developed. All costs to date were to come from private funds.

The new 18,000-20,000 seat stadium will be constructed on the existing Coughlin Alumni Stadium site and will require phasing so that the existing stadium remains operational during construction of the new facilities. The new stadium will cover approximately 277,000 square feet of space. This includes 105,000 square feet of grandstand space, 62,000 square feet of enclosed seating areas, suites, and related club areas, 110,000 square feet of restroom, concession, press box, retail, support, and locker facility space.

The stadium bowl will concentrate club, loge, and enclosed suite seating on the west side of the facility. Reserved seats will be available on both the east and west sides of the stadium.

The west concourse will provide access to concessions, restrooms, food service support, a retail store, the University Police Department, ticketing, and game day administrative support spaces. The west concourse will also provide vertical access to club seating, suites, press box facilities, loge access, and upper level access to reserved seating. Fully enclosed concession, restroom, and support facilities will be insulated, heated, and air conditioned. Club facilities and concessions will be provided at an elevated second story level. Suites will be provided at the third story level. Suites are likely to provide outside seating that will also provide weather protection from rain and wind for loge seating. The press facilities and some suite functions will be provided at the fourth story level.

Funding for this construction project will be from private donations, sponsorship revenues, and proceeds from revenue bonds. At the current time, a target of \$50,000,000 in revenue bond sales debt serviced by amenity seat agreements, season ticket sales, sponsorships, concessions, and facility use fees. The remaining \$10,000,000 to \$15,000,000 of funds will come from continued sponsorship fund raising and private donations to the SDSU Foundation. Conversations are being initiated with student leadership on their possible involvement in supporting operations as authorized under Board action approving the Preliminary Facility Statement in June 2011.

He further explained that SDSU is using a consulting firm to help examine construction costs.

Dr. Kramer further explained that the motion today would allow SDSU to continue the planning phase of this project as well as to approve the use of the method of Construction Manager at-Risk for the project.

Regent Baloun asked questions about the 20-25 year bonds. He asked how the revenue stream will line up with the 25 year bond considering some of the revenue is based on selling tickets for athletic events. Dr. Kramer expects the consultant will be able to further inform this.

Regent Johnson asked about the placement of the police department in the stadium. Mr. Kattelmann said the choice to locate the police in the stadium allows the department to be centrally located. In response to a question about whether or not there will be any academic

components located in the stadium, he explained the police department falls under the purview of academics.

Mr. Kattelman said SDSU will put together a proforma along with the building authority before the December meeting. Considering this timing, they wouldn't break ground until next spring at the earliest. In addition, they explained that SDSU will need student commitment on the operating side. To clarify, Regent Schartz asked how the university would plan to engage the students in this decision. Mr. Kattelman said he didn't have specifics but assumed the vice president of Student Affairs would be working with the students.

Regent Baloun noted that if SDSU could raise more money for the project, the regents would encourage this as well.

IT WAS MOVED by Regent Schaefer, seconded by Regent Jewett to approve SDSU's Facility Program Plan to move forward with a New Football Stadium project at an estimated cost of \$60,000,000 to \$65,000,000. Funding for this project will come from the sale of revenue bonds subject to approval of a viable financial plan for \$50,000,000 debt serviced with revenues from amenity seat agreements, season ticket sales, sponsorships, concessions, and facility use fees. The remaining \$10,000,000 to \$15,000,000 of funds will come from continued sponsorship fund raising and private donations to the SDSU Foundation. The project scope is to include all necessary parking improvements and infrastructure needed to support the facility operations. All members voting AYE, the MOTION CARRIED.

A copy of SDSU New Football Stadium Facility Program Plan can be found on pages ____ to ____ of the official minutes.

NEW PROGRAM – SDSU PH.D. IN BIOCHEMISTRY

Dr. Sam Gingerich explained that SDSU requests authorization to offer a Ph.D. in Biochemistry. He gave further description of the program and said the institution has the resources in place to accomplish the development of this program. Dr. Laurie Nichols said having this Ph.D. program would be helpful in recruiting valuable students to the university. She noted that this would be a collaborative effort as the research happening at Sanford and Avera Institutes fits well with the work done in this program. She clarified that this will be a traditional Ph.D. program that works with faculty in the laboratories and will be very research oriented.

IT WAS MOVED by Regent Jewett, seconded by Regent Schartz to approve South Dakota State University's proposal for a Ph.D. in Biochemistry as described in Attachment I. All members voting AYE, the MOTION CARRIED.

A copy of New Program – SDSU Ph.D. in Biochemistry can be found on pages ____ to ____ of the official minutes.

HIGH SCHOOL TRANSITION REPORT

Dr. Palmer explained that each year SDBOR conducts an analysis of the first-year performance of Regental students matriculating from each of the state's school districts. Individualized district-level reports are given to each school district to help ensure that future high school graduates are adequately prepared for postsecondary success. These district reports – which are mailed to each district's school board president, superintendent, and high school principal – cover a wide swath of first-year student outcomes, including but not limited to: institutions enrolled, academic performance, and retention outcomes. The South Dakota High School to College Transition Report is an annual publication that caps the above reporting effort by summarizing statewide data for all first-year Regental students transitioning from an in-state high school.

He noted that the percent of students being placed into remediation this year was lower than in past years. He also said the overall GPA's were higher.

Regent Jewett said that the Board recently lowered the required number of credit hours to graduate, from 128 to 120. He asked if there was a way to verify whether or not students are taking less credits toward the degree. Dr. Palmer said that he has not seen any data to suggest students are taking less credits. Regent Jewett said he would like to know the financial impact of that decision.

Dr. Warner explained that this semester the FTE to headcount was higher, showing that students are taking heavier course loads. If students are not reducing their per semester course loads, then the question is whether or not they are being replaced by new incoming students. If so, the system shouldn't see a financial impact. He further explained that it depends on how you examine the information. He said if you are looking at the aggregate, you examine how many credit hours the institutions are generating. If the institutions are backfilling with new students, the institutions won't show a loss in revenue. However, if the unit of analysis is the individual student and the student is taking less credit toward the degree, the individual student would be paying less.

Regent Jewett reiterated that he would like to follow this closely to examine if that decision had financial impact.

IT WAS MOVED by Regent Sutton, seconded by Regent Morris to approve the High School Transition Report. All members voting AYE. The MOTION CARRIED.

A copy of the item prepared for High School Transition Report can be found on pages ____ to ____ of the official minutes.

NIH SBIR/STTR NATIONAL CONFERENCE UPDATE

Dr. Paul Turman explained that the National Institute of Health SBIR/STTR Annual Conference is scheduled for October 28-30 in Sioux Falls and is being hosted by the USD Research Park. However, he explained that considering the federal government shutdown, the conference

planners are unsure of whether or not the NIH presenters will be able to attend. They are planning on two routes of action depending on the status of the shutdown, but he acknowledged the collective hope that the conference will be able to proceed as originally planned.

IT WAS MOVED by Regent Johnson, seconded by Regent Jewett that the Board approve the report of the Council of Presidents and Superintendents. All members voting AYE. The MOTION CARRIED.

A copy of the item prepared for NIH SBIR/STTR National Conference Update can be found on pages ____ to ____ of the official minutes.

SMARTER BALANCED IMPLEMENTATION UPDATE

Dr. Gingerich gave an update on the implementation of Smarter Balanced. He explained that the agenda item highlights some of the immediate efforts underway regarding the implementation. He said the Smarter Balanced Assessment will become another measure of placement for college readiness in Math and English Language Arts. He said the system is also talking about the need for communication with the multiple audiences involved. The key issue is that in order for this to be implemented successfully, the postsecondary system needs to work in strong collaboration with the Department of Education. The Assessment will benchmark students' progress toward being college ready. In the past few months, university faculty in math and English/Language arts (ELA) have worked with colleagues in high school to create college-readiness courses in these areas. These courses will be one of the options offered for high school seniors who are identified as not being college ready after taking the Smarter Balanced Assessment during their junior year. In addition, he stated the system is working to address those students who are college ready and to usher them into college level courses.

Dr. Gingerich noted that the Board office also conducted a survey that was created by the national Smarter Balanced team. The survey asked respondents about the perceived involvement of various groups, including Higher Ed leaders, A&S faculty, and education faculty, with the Common Core State Standards (CCSS) and the implementation of Smarter Balanced. It also asked respondents for their thoughts on how the CCSS and Smarter Balanced were being received by K-12, government, and business leaders. The survey was distributed to various groups of faculty and administration on the campuses. The results will be used to shape activities going forward.

Dr. Robert Stein, Senior Consultant with the Smarter Balanced Assessment Consortium provided an update on the national work. Dr. Stein's assignment is to work with the governing states on a regional basis to assist them with the postsecondary implementation. He discussed key issues facing the Consortium in the next few months. He said there will always be need for some remediation, but it is a fair expectation that those graduating from high school should be prepared for postsecondary or workforce opportunities. He further explained that the Consortium is working on multiple agendas across the nation. He said the field test will occur during the spring 2014 and the live test will first occur spring of 2015, meaning the juniors taking the test in spring 2015 will come to our institutions in fall 2016. The entire agenda of this effort is to create an early warning system. The political opposition across the state and country has increased. He

noted that this is not a federal curriculum nor does it tell teachers how to teach. He encouraged the Board to be engaged and to communicate its support.

Regent President Krogman said he fully expects that there will be legislation against these efforts. He asked about the survey administered. The survey suggests that we have a lot of work to do in the state to explain the benefits of this mission. Dr. Stein encouraged the regents to have more in-depth conversations with the legislators, parents, teachers, and the business community.

Dr. Warner commented that this set of initiatives has better potential than anything he's seen to foster collaboration with K-12. He said notwithstanding the swirling opposition, Dr. Warner met with 40 superintendents last week who are all working to implement this without opposition. He said there is opportunity for many unintended positive benefits to this effort as well. Dr. Stein noted that teachers have historically heavily swayed the opposition.

In response to Regent Schieffer, Dr. Stein explained that the concept of change is probably the driving force of the opposition. Dr. Warner further explained that few people paid close attention to the Board of Education agenda where Common Core was adopted, so they felt unaware and uninvolved in the process of adopting this effort.

A copy of the item prepared for Smarter Balanced Implementation Update can be found on pages ____ to ____ of the official minutes.

DUAL CREDIT PROGRAMMING

Dr. Gingerich addressed the established requirements for dual credit offerings and reported that Board staff continues to monitor these offerings. He explained that a recent analysis of the efficacy of dual credit programming within the system was completed.

He further explained that the Smarter Balanced junior assessment will be useful in identifying those rising high school seniors who are prepared to do college level course work. To date, the campuses have simply formed partnerships with interested schools to offer dual credit coursework but clearly more coordinated strategies will need to be developed going forward. In addition, the South Dakota Department of Education is considering a request for an allocation to support dual credit enrollment by high school students. The system's CEO and CAO have met with leadership of the department to discuss this initiative. He explained that should this move forward, the campuses will need to be positioned to provide options for qualifying students in districts state-wide.

NSU Provost Tom Hawley explained that Northern stands positioned at this time to offer dual credit throughout the state of South Dakota. He also explained that the E-Learning Center is positioned to offer AP courses throughout the state online.

Regents commented that the statistics showing the postsecondary success of students who have taken dual credit courses clearly shows the necessity for Board support.

A copy of the item prepared for Dual Credit Programming can be found on pages ____ to ____ of the official minutes.

USE OF AGENTS TO RECRUIT INTERNATIONAL STUDENTS

Dr. Gingerich explained that the campuses are engaged in a range of activities that promote global experiences because all graduates must be prepared to function professionally in a multi-national/multicultural work environment. To this end, recruiting and enrolling qualified international students is one strategy commonly used to provide all students valuable experiences that address this reality. However, recruiting and enrolling international students raises issues that need to be recognized and addressed. Further, international student recruiting can be expensive, so each BOR university is expected to identify cost effective methods that yield results including the establishment of intra-system partnerships.

One particularly effective method of recruiting international students is to work with international recruiting companies and with individual agents. The practice of using agents in other countries is commonplace and, in some countries, it is the only accepted protocol. Estimates on the number of students who use agents vary dramatically from country to country. The highest use is found in Asia, the Middle East, Eastern Europe and Latin America.

International applicants seeking university admission in the United States pay agents to guide them through the process. Agents also perform cultural liaison duties specific to the country in which they work. Some agents charge fees to the university, others charge fees to applicants and some charge both. While this method may appear to be expensive on the surface, it actually often is most cost-effective.

Dr. Gingerich explained that a set of recruiting agent guidelines has been developed by the campus representatives responsible for international students. These guidelines establish expectations for working with agents and recruiting companies in general. These are based on research of best practices and recommendations of professional organizations in the United States, including the National Association of Foreign Student Advisers (NAFSA), the American International Recruitment Council (AIRC), and the American Association of Collegiate Registrars and Admissions Officers (AACRAO). Of these, NAFSA and AIRC specialize in international education endeavors and AACRAO has a division of its organization that specializes in international credential evaluation

In response to President Krogman, Dr. Gingerich further explained how best practices and accountability are being developed, utilized, and implemented by the system. He noted that these follow the guidelines set by the premier national organizations for foreign students.

Regent Schieffer asked what the alternatives for recruiting international students are outside of agents. Dr. Gingerich explained that student exchanges are an alternate route. These exchanges have been developed and agreed upon between the universities through memorandums of understanding agreements.

IT WAS MOVED by Regent Sutton, seconded by Regent Johnson to approve the report on use of agents to recruit international students. All members voting AYE. The MOTION CARRIED.

A copy of the item prepared for Use of Agents to Recruit International Students can be found on pages ____ to ____ of the official minutes.

JOINT POWERS AGREEMENT WITH SOUTH DAKOTA DEPARTMENT OF EDUCATION

Dr. Paul Turman explained that at the April 2013 Board of Regents meeting, the Board approved a Joint Powers Agreement with the South Dakota Department of Education which articulates the responsibilities between the two agencies for facilitating the delivery of remedial coursework to students during their senior year of high school. The program was initially piloted during the Spring 2013 semester, and based on continued collaboration between the BOR and DOE, a number of refinements have been made to the project which warranted changes to the Joint Powers Agreement. He addressed the BOR responsibilities for the initiative going forward.

IT WAS MOVED by Regent Morris, seconded by Regent Schartz 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 the item prepared for Joint Powers Agreement with South Dakota Department of Education can be found on pages ____ to ____ of the official minutes.

APPROVAL OF THE NUMBER AND APPOINTMENT OF DIRECTORS TO THE UNIVERSITY OF SOUTH DAKOTA RESEARCH PARK, INCORPORATED

USD President Jim Abbott explained that at its December 11-13, 2012 meeting, pursuant to its authority under SDCL ch 5-29, the Board approved the formation of the University of South Dakota Research Park, Incorporated and appointed Kathryn O. Johnson, Jack R. Warner, and James W. Abbott as the initial directors.

USD Research Park, Inc., met twice to initiate corporate action and to provide for the initial administration of the corporation and its affairs. It now requests that the Board approve certain of its governance actions and to acknowledge a memorandum of understanding among the USD Research Park, Inc., Forward Sioux Falls, and the Sioux Falls Development Foundation (at the request of the City of Sioux Falls) relative to the financing and governance of the corporation.

The Articles of Incorporation provide that the Corporation may fix the number of directors, subject to approval of the Board, as the Member of the corporation (Article VIII, Board Minutes p. 3327). SDCL § 5-29-17 requires that the Board of Regents appoint the directors of such research park corporations as it may establish. At its February 12, 2013 organizational meeting, the initial USD Research Park Directors adopted by-laws providing for a nine member board of directors

At its August 14, 2013 meeting, the USD Research Park Directors approved the appointment of six persons to serve as additional voting members of its board:

- a. Darrin Smith
- b. Dave Kapaska
- c. Eddie Sullivan
- d. Regent Bob Sutton
- e. Russell Olson
- f. Christine Hamilton

At the same meeting, the USD Research Park Directors also approved the creation of four non-voting, ex officio directorships and approved the appointment of the following persons:

- a. USD VP for Research – Currently Laura Jensi (Ex Officio)
- b. Director, Office of Commercialization, Governor's Office of Economic Development – Currently Mel Ustad (Ex Officio)
- c. Director of the USD GEAR Center – Currently Dan Engebretson (Ex Officio)
- d. Board of Regents System Vice President for Research and Economic Development – Currently Paul Turman (Ex Officio)

In keeping with the requirements of SDCL ch 5-29 and the corporate articles and by-laws, USD Research Park, Inc., requests that the Board approve its appointments. The complement of directors will serve until April 3, 2014, the annual meeting of the corporation, pursuant to SDCL § 47-23-4, coinciding with the first regularly scheduled meeting of the Board of Regents in each calendar year.

Article III of the USD Research Park, Inc., By-Laws calls for staggered terms for the initial board of directors, three directors to be elected to a one (1) year term, three to a two (2) year term and three to a three (3) year term, so that there are staggered terms. Thereafter, each director will serve a three (3) year term, so that each year three terms are expiring.

At April 1-3, 2014 Board meeting, the Board will receive recommendations from USD Research Park, Inc., for the terms to be served by the individual directors appointed in this action.

In addition to these matters, the USD Research Park, Inc., requests that the Board acknowledge a Memorandum of Understanding among the USD Research Park, Inc., Forward Sioux Falls, the Sioux Falls Development Foundation (at the request of the City of Sioux Falls) and the University of South Dakota, whose terms provide for contributions to the operational expenses of the corporation during its initial phase of operation and for participation in corporate governance.

IT WAS MOVED by Regent Morris, seconded by Regent Schieffer to approve the actions of the University of South Dakota Research Park Board of Directors as follows:

1. Adopting a By-Law providing for a nine-member board of voting directors;
2. Appointing an initial board of directors as follows:
 - a. Regent Kathryn O. Johnson,
 - b. Board or Regents Executive Director Jack R. Warner,
 - c. University of South Dakota President James W. Abbott

- d. Darrin Smith
 - e. Dave Kapaska
 - f. Eddie Sullivan
 - g. Regent Bob Sutton
 - h. Russell Olson
 - i. Christine Hamilton
3. Establishing four non-voting, ex officio directorships and appointing the current incumbents as follows:
 - a. USD VP for Research – Currently Laura Jenki (Ex Officio)
 - b. Director, Office of Commercialization, Governor’s Office of Economic Development – Currently Mel Ustad (Ex Officio)
 - c. Director of the USD GEAR Center – Currently Dan Engebretson (Ex Officio)
 - d. Board of Regents System Vice President for Research and Economic Development – Currently Paul Thurman (Ex Officio)

That the Board Acknowledge a Memorandum of Understanding among the USD Research Park, Inc., Forward Sioux Falls, the Sioux Falls Development Foundation (at the request of the City of Sioux Falls) and the University of South Dakota, providing for assistance in financing and governing the corporation. All members voting AYE, the MOTION CARRIED.

A copy of the item prepared for Approval of the Number and Appointment of Directors to the University of South Dakota Research Park, Incorporated can be found on pages ____ to ____ of the official minutes.

THURSDAY, OCTOBER 10, 2013

Regent President Krogman called the meeting of the Board to order at 9:30 a.m.

REPORT AND ACTIONS OF THE COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS

Regent Johnson presented the 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. A copy of the Institutional Items of Information can be found on pages ____ to ____ of the official minutes.

Competitive Research Grant Report

The Committee received an update on how the Competitive Research Grant Award program has given university faculty an opportunity to start a sustainable research program and to help build research capacity in their department. Information only. A copy of the Competitive Research Grant Report can be found on pages ____ to ____ of the official minutes.

Pilot Placement Processes

The Committee received an update on the work a number of campuses have been actively pursuing as a result of the sponsored meeting by Complete College America (CCA). A follow up meeting was held on September 26 in Pierre and each campus provided a summary of work being done and findings to date. Information only. A copy of the Pilot Placement Processes can be found on pages ____ to ____ of the official minutes.

Annual Curriculum Summary 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 reports on the approved minor course and minor program modifications of the VPAAAs for the previous year. Information only. A copy of the Annual Curriculum Summary Report can be found on pages ____ to ____ of the official minutes.

2013-2014 Discipline Councils

Discipline Councils are established each fall and the campus representatives for each council have been compiled in a matrix that was provided to the committee. Information only. A copy of the 2013-2014 Discipline Councils can be found on pages ____ to ____ of the official minutes.

Institutional Program Review Schedule

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

Senate Bills 3/4/5 Reporting Update

The Committee received an update noting that the SDBOR central office is working with other state agencies to fashion analytic reports in response to Senate Bill 3, Senate Bill 4, and Senate Bill 5 (from the 2013 legislative session; now SDCL 13-1-60, SDCL 13-1-63, and SDCL 13-48A respectively). These bills require that the Board of Regents provide the legislature (or other body) with annual information with respect to – respectively – licensure exam outcomes (SB3) job placement outcomes (SB4), and general accountability performance measures. Information

only. A copy of the Senate Bills 3/4/5 Reporting Update can be found on pages ____ to ____ of the official minutes.

CONSENT ITEMS

Program Modifications – NSU

Regent Schieffer moved to approve NSU's program modification proposals for its B.A. in German, and Minor in Spanish. Regent Sutton seconded the motion and the motion passed. A copy of the Program Modification – NSU can be found on pages ____ to ____ of the official minutes.

Cooperative Agreements – BHSU

It was moved by Regent Schieffer and seconded by Regent Sutton to approve the proposed cooperative agreement between BHSU and Hanyang University (HYU); and Soongsil University (SSU). Motion passed. A copy of the Cooperative Agreements – BHSU can be found on pages ____ to ____ of the official minutes.

Cooperative Agreements – DSU

It was moved by Regent Schieffer and seconded by Regent Sutton to approve the proposed cooperative agreement between DSU and Tamagawa University. Motion passed. A copy of the Cooperative Agreements – DSU can be found on pages ____ to ____ of the official minutes.

Cooperative Agreements – NSU

It was moved by Regent Schieffer and seconded by Regent Sutton to approve the proposed cooperative agreement between NSU and the Global Village Program Yonsei University; and Shanghai University. Motion passed. A copy of the Cooperative Agreements - NSU can be found on pages ____ to ____ of the official minutes.

Cooperative Agreements – SDSU

SDSU requested to defer action on this item until the December meeting.

Cooperative Agreements – USD

It was moved by Regent Schieffer and seconded by Regent Sutton to approve the proposed cooperative agreement between USD and Western Iowa Tech Community College (WITCC); and the National Student Exchange (NSE). Motion passed. A copy of the Cooperative Agreements – USD can be found on pages ____ to ____ of the official minutes.

SDSBVI Advisory Council Appointments

It was moved by Regent Schieffer and seconded by Regent Sutton to approve the proposed appointments to the SDSBVI Advisory Council for the 2013-2014 academic year. A copy of the SDSBVI Advisory Council Appointments can be found on pages ____ to ____ of the official minutes.

SUBSTANTIVE

Revisions to Board Policy 2:10 – Grades and Use of Grade Point Averages (GPA)

This item was removed from the agenda.

Admission Requirements – Home Schooled Students

Regent Schartz moved to approve the creation of a working group. Regent Sutton seconded the motion and the motion passed. A copy of the Admission Requirements – Home Schooled Students can be found on pages ____ to ____ of the official minutes.

Full Report

IT WAS MOVED by Regent Johnson, seconded by Regent Sutton 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. A copy of the Full Report can be found on pages ____ to ____ of the official minutes.

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 indicates if the projects were part of the 2005 or 2012 Ten-Year Plans. 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 SDSM&T Student

Recreation Center approved the facility design plan for the project; the Building Committee for the SDSU Enrollment Services Center (Medary Commons) approved the documents for the facility design plan and stated that construction costs will not exceed \$2,812,500; the Building Committee for the SDSU Football Stadium authorized continuation of the design services for the project and approved the use of a Construction Manager At-Risk; the Building Committee for the BHSU Jonas Science Center Renovation selected Williams & Associates as the architect/engineer on record; and the Building Committee for the USD Mechanical Overhaul and Modernization project approved the Facility Program Plan for the project. Information only. A copy of the Building Committee Report can be found on pages ____ to ____ of the official minutes.

CONSENT CALENDAR

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

Maintenance and Repair Institutional Project

Approve SDSU's request to update laboratory space in the Animal Science Complex at an estimated cost of \$684,671. Funding for this project will be \$350,000 from the 2013 General Funds appropriation for AES Research and \$334,671 in plant funds from Animal Science Discipline Fees and ADRDL revenues. A copy of the Maintenance and Repair Institutional Project can be found on pages ____ to ____ of the official minutes.

Maintenance and Repair Fee Projects

Approve SDSU's request to renovate the Communications Center at an estimated cost of \$400,000. Funding for this project will be \$150,000 from previously identified and approved FY14 HEFF M&R funds plus \$250,000 from University Support Fees. A copy of the Maintenance and Repair Fee Projects can be found on pages ____ to ____ of the official minutes.

All voted AYE. The MOTION CARRIED.

SUBSTANTIVE

BOR Policies 7:1 and 7:5

IT WAS MOVED by Regent Baloun, seconded by Regent Morris to approve the changes to BOR policy 7:1 – Acceptable Use of Information Technology Systems and eliminate BOR policy 7:5 – Privacy of Information Technology System Resources. All voted AYE. The MOTION CARRIED. A copy of the BOR Policies 7:1 and 7:5 can be found on pages ____ to ____ of the official minutes.

SDSM&T Housing

IT WAS MOVED by Regent Baloun, seconded by Regent Jewett to approve the release of the RFI to continue investigation into investor interest in providing student housing. All voted AYE. The MOTION CARRIED. A copy of the SDSM&T Housing can be found on pages ____ to ____ of the official minutes.

SDSM&T Student Wellness and Recreation Center Facility Design Plan

IT WAS MOVED by Regent Morris, seconded by Regent Jewett to approve SDSM&T's Facility Design Plan to construct a Wellness and Recreation Center Addition to the King Center at an estimated cost of \$8,900,000. Funding for this project will come from \$6,700,000 in bond proceeds to be repaid by a \$10 GAF fee increase. The remaining \$2,200,000 will be provided by private gifts to the SDSM&T Foundation. All voted AYE. The MOTION CARRIED. A copy of the SDSM&T Student Wellness and Recreation Center Facility Design Plan can be found on pages ____ to ____ of the official minutes.

SDSU Animal Disease Research and Diagnostic Lab (ADRDL) – Preliminary Facility Statement

IT WAS MOVED by Regent Baloun, seconded by Regent Jewett to approve SDSU's Preliminary Facility Statement to construct an addition to and renovate the Animal Disease Research and Diagnostic Lab (ADRDL) at a projected cost of \$5,750,000 to \$6,150,000. The project should provide a balance between upgrading the current facility to meet its long-term use and the need for a BSL-3 addition. Funding for this project will come from the sale of bonds to be repaid from the annual ADRDL legislative appropriated funds. The Board President should appoint a building committee to move the project forward. All voted AYE. The MOTION CARRIED. A copy of the SDSU Animal Disease Research and Diagnostic Lab (ADRDL) – Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

SDSU Brown Hall Renovation Preliminary Facility Statement and Facility Program Plan

IT WAS MOVED by Regent Morris, seconded by Regent Baloun to approve SDSU's Preliminary Facility Statement and Facility Program Plan to renovate Brown Hall at an initial estimated cost of \$7,000,000. Approval of this project will allow SDSU to develop a final renovation plan and cost estimates. Funding of \$5,000,000 will be a combination of bond re-financing and \$2,000,000 from redirected M&R funds. All voted AYE. The MOTION CARRIED. A copy of the SDSU Brown Hall Renovation Preliminary Facility Statement and Facility Program Plan can be found on pages ____ to ____ of the official minutes.

SDSU Wecota Hall Lower Level Renovations Preliminary Facility Statement

IT WAS MOVED by Regent Morris, seconded by Regent Baloun to approve SDSU's Preliminary Facility Statement request to renovate Wecota Hall's lower level at an estimated cost of \$2,636,000 as identified in the FY15 Capital Project List. Approval of this request will allow SDSU to move forward with its Facility Program Plan for this project. Funding for this project

will not exceed more than \$964,000 from campus HEFF M&R funds with the remainder coming from private gifts. The Board President should appoint a building committee be formed to assist with the planning and development of cost estimates for the project. This item will need to be added to the 2014 Legislative package in conjunction with the Wecota Annex renovation project. Regents Morris, Baloun and Schaefer voted AYE, Regent Jewett ABSTAINED. The MOTION CARRIED. A copy of the SDSU Wecota Hall Lower Level Renovations Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

SDSU Wecota Annex Renovations Preliminary Facility Statement

IT WAS MOVED by Regent Morris, seconded by Regent Baloun to approve SDSU's Preliminary Facility Statement request to renovate the 2nd and 3rd floors of Wecota Annex at an estimated cost of \$4,297,700 as identified in the FY15 Capital Project List. Approval of this request will allow SDSU to move forward with its Facility Program Plan for this project. Funding for this project is not to exceed \$2,785,000 from campus HEFF M&R funds with the remaining funds coming from private gifts. The Board President should appoint a building committee be formed to assist with the planning and development of cost estimates for the project. This item will need to be added to the 2014 Legislative package in conjunction with the Wecota Hall lower level renovation project. Regents Morris, Baloun and Schaefer voted AYE, Regent Jewett ABSTAINED. The MOTION CARRIED. A copy of the SDSU Wecota Annex Renovations Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

SDSU Requests Authorization to Demolish Surplus Facilities at the Antelope and Cottonwood Experiment Stations

IT WAS MOVED by Regent Baloun, seconded by Regent Morris to authorize the Executive Director to permit South Dakota State University to demolish the Antelope Experiment Station Horse Barn (building number 7206) and the Cottonwood Experiment Station Office and Research Laboratory Addition (buildings number 6006A and 6006) and to dispose of the rubble, contingent upon completion of environmental audits and (1) determination that the property harbors no hazardous materials or (2) any identified hazardous materials have been abated, all for the estimated expense of \$22,000, payable from Agricultural Experiment Station maintenance and repair funds. All voted AYE. The MOTION CARRIED. A copy of the SDSU Request for Authorization to Demolish Surplus Facilities at the Antelope and Cottonwood Experiment Stations can be found on pages ____ to ____ of the official minutes.

USD Mechanical Overhaul and Modernization Facility Program Plan

IT WAS MOVED by Regent Baloun, seconded by Regent Morris to approve USD's Facility Program Plan request for the Mechanical Overhaul and Modernization at an estimated cost of \$10,000,000. Funding for this project will come from the issuance of HEFF bonds for \$8,000,000 and \$2,000,000 in future HEFF M&R allocation funds. All voted AYE. The MOTION CARRIED. A copy of the USD Mechanical Overhaul and Modernization Facility Program Plan can be found on pages ____ to ____ of the official minutes.

Financial Analysis

The committee reviewed and discussed the financial analysis. A copy of the Financial Analysis can be found on pages ____ to ____ of the official minutes.

Budget Analysis

The committee reviewed and discussed the budget analysis document for the system. A copy of the Budget Analysis can be found on pages ____ to ____ of the official minutes.

Full Report

IT WAS MOVED by Regent Schaefer, 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.

ADJOURN

IT WAS MOVED by Regent Jewett seconded by Regent Schartz to adjourn the meeting of the Board of Regents on October 10 at 9:35 a.m. All members voting AYE. The MOTION CARRIED.