

**BOARD OF REGENTS
MINUTES OF THE MEETING
October 7-9, 2014**

The South Dakota Board of Regents met on October 7-9, 2014 in the Centennial Room, Student Center at Northern State University, Aberdeen, South Dakota, with the following members present:

Dean Krogman, President
Terry Baloun, Regent
Kathryn Johnson, Regent
Joe Scharz, Regent
Bob Sutton, Secretary
Kevin Schieffer, Regent
Randy Schaefer, Regent – not present
Randy Morris, Regent – not present

Also present during all or part of the meeting were Jack Warner, Executive Director and CEO; James Shekleton, General Counsel; Paul Turman, System Vice President for Academic Affairs; Janelle Toman, Director of Communications; Nathan Lukkes, System Assistant Vice President for Research and Economic Development; 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; Mary Ellen Garrett, Accounting Manager; Jay Perry, Director of Academic Programs; Molly Hall-Martin, Director of Student Preparation and Success; Katie Boehnke, Research Analyst; 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; Marysz Rames, DSU; Thomas Jackson, Jr., BHSU; Marjorie Kaiser, SDSBVI and SDSD; Heather Wilson, SDSM&T; Tom Hawley, Greg Smith, JoEllen Lindner, Sharon Paranto, Debbi Bumpous, Veronica Paulson, Connie Geier, Connie Ruhl-Smith, Daryl Kosiak, C.G. Mendez, Jory Kunzman, Julie M. Johnson, NSU; Kimberly Grieve, Jim Moran, Sheila Gestring, Michael Card, USD; Curtis Card, Rod Custer, BHSU; Richard Sinden, Mike Gunn, SDSM&T; Mary Kay Helling, Laurie Nichols, Dean Kattelman, Wes Tschetter, Doug Wermedal, SDSU; Judy Dittman, Marysz Rames, Marcus Garstecki, Stacy Krusemark, DSU; Gene Bilodeau, UC-RC; Craig Johnson, UC-SF; Jess Peterson, Student Federation; and other students, faculty, and members of the press.

TUESDAY, OCTOBER 7, 2014

The Regents convened in open session at 6:00 p.m. on Tuesday, October 7, 2014, in the Gold Room at Northern State University.

IT WAS MOVED by Regent Sutton, seconded by Regent Baloun that the Board of Regents Convene and Dissolve into Executive Session at 6:00 p.m. on Tuesday, October 7, 2014, 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 8, 2014, in order to discuss personnel matters; pending and prospective litigation, 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 8, 2014

Regent President Dean Krogman called the meeting of the Board of Regents to order at 1:30 p.m. on October 8, 2014, and declared a quorum present.

WELCOME AND PRESENTATION BY NSU PRESIDENT JAMES SMITH

NSU President James Smith welcomed the audience to Northern State University. Representatives gave a presentation informing the regents and the audience about the progress of the year-long teacher residency program.

APPROVAL OF THE AGENDA

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

APPROVAL OF THE MINUTES

IT WAS MOVED by Regent Jewett, seconded by Regent Schartz to approve the minutes of the planning session and regular meeting held on August 12-14, 2014. All members voting AYE. The MOTION CARRIED.

REPORT AND ACTIONS OF EXECUTIVE SESSION

Upon convening at 6:00 p.m. on Tuesday, October 7, 2014, 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 8, 2014, in order to discuss personnel matters; pending and prospective litigation, 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 Sutton reported that while in executive session, the Board considered personnel matters, pending and prospective litigation, consulted with legal counsel, and gave directions to its executive director and general counsel concerning these matters.

IT WAS MOVED by Regent Sutton, seconded by Regent Baloun 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 an honorary degree, Doctor of Science, to Dr. Alton D. Romig, Jr. (SDSM&T); the title of Professor Emeritus of Chemistry and Applied Biological Sciences to Dr. David A. Boyles (SDSM&T); and Professor Emeritus of Materials and Metallurgical Engineering to Dr. Stanley M. Howard (SDSM&T).
2. Approve awarding one (1) year of prior service credit toward tenure and one (1) year of prior service credit toward promotion for Stacey Berry (DSU); three (3) years of prior service credit toward tenure and three (3) years of prior service credit toward promotion for Timothy Masterlark (SDSM&T); and two (2) years of prior service credit toward tenure and two (2) years of prior service credit toward promotion for Dr. Mark J. Novak (SDSM&T).
3. Approve the request to grant tenure to A.R. “Venky” Venkatachalam, Dean of the Beacom School of Business (USD).
4. Accept the appointment of Charlotte E. Davidson as special assistant for Diversity and Native American Affairs at SDSU with an effective date of August 22, 2014 at an annualized salary of \$73,000; accept the appointment of Douglas Wermedal as acting student affairs officer at SDSU effective August 23, 2014 at an annualized salary of \$119,208; accept the reorganization of the SDSM&T University Relations Department effective September 1, 2014 including the elimination of the Vice President of University Relations position and the change in reporting structure, which now has the Director of Marketing and Communications, a position held by Mr. Jonathon Michaels, reporting directly to the President effective September 2, 2014.
5. Approve the personnel actions as submitted by the Board office, campuses, and special schools. A copy of the personnel actions can be found on pages ___ to ___ of the official minutes.

All members voting AYE. The MOTION CARRIED.

REPORT OF THE COUNCIL OF PRESIDENTS AND SUPERINTENDENTS

Dr. Warner briefed the Board on the topics taken up at the September 23 meetings of the Council of Presidents and Superintendents. He said they discussed the Governor’s Budget Hearing, the SDSU low-income pilot, the recently awarded First in the World Grant, an update of the tuition and fee structure committee, and the Affordable Care Act implementation.

REPORT FROM INDIVIDUAL PRESIDENTS AND SUPERINTENDENTS

President Smith introduced NSU’s new vice president of student affairs, JoEllen Lindner.

REPORT AND ACTIONS OF THE EXECUTIVE DIRECTOR

Dr. Warner expressed his appreciation for the hospitality of NSU. He drew audience attention to the strategic plan to be discussed later in this meeting.

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 Jess Peterson briefed the Board on its recent meeting with the senior staff of the BOR. In addition, she explained that the federation has set the dates for SHED days during the upcoming legislative session. This will take place on February 8-9, 2015.

SOUTH DAKOTA APPLICATION TO JOIN THE WESTERN INTERSTATE COUNCIL OF HIGHER EDUCATION STATE AUTHORIZATION RECIPROCIITY AGREEMENT

Dr. James F. Shekleton explained that Governor Dennis Daugaard issued Executive Order 2014-09 on July 16, 2014, directing the Board of Regents to enter into an agreement with the Western Interstate Commission for Higher Education (WICHE) to participate, on behalf of South Dakota and all its postsecondary institutions, in the Western Interstate Commission for Higher Education State Authorization Reciprocity Agreement (WICHE SARA). Subsequently, a meeting was convened for all presidents of post-secondary institutions to discuss a draft policy describing the Board's authority as SARA administrator, establishing eligibility and reporting requirements, fixes the policy that SD SARA participation fees reflect costs of administration, and establishes processes for administering complaints.

He explained that with approval of the Executive Director's recommendations, South Dakota will submit its application on October 20, 2014 agenda of the WICHE SARA Steering Committee which reviews a state's application and must recommend the application to the WICHE Commission for final approval. Assuming WICHE Commission approval of South Dakota's application for membership in WICHE SARA, the Executive Director intends to invite applications and to proceed with their review at a pace that may enable applicants to begin to participate in SARA at the onset of the 2015 spring term.

Dr. Shekleton requested that the Board adopt two changes to the recommendations submitted in the printed agenda item.

First, he requested that the Board amend Board Policy No. 1:29(7)(C)(2)(b)(ii) in the draft policy by striking out everything after the word "administrator" in subparagraph (ii) at the foot of page 12 of the agenda item and continuing onto page 13, and insert in lieu thereof, "within two years of the incident about which the complaint is made." Dr. Shekleton explained that the substitute text tracks exactly the deadlines allowed under the National Council SARA agreement for presenting complaints.

Second, he requested that the Board adopt a substitute recommended action in order to correct certain drafting errors in the published agenda. The new recommendation would read:

The recommended action comprises five related matters:

1. Approve the proposed Board Policy No. 1:29;
2. Authorize the President of the Board to execute and the Executive Director to submit the Application and Evaluation Form for State Membership in the Western Interstate Commission for Higher Education State Authorization Reciprocity Agreement (WICHE SARA); (attached);
3. Approve a state SARA participation fee of \$4,000 per institution for FY215;
4. Authorize the Executive Director to proceed with the administration of the program upon admission of South Dakota to SARA membership; and
5. Direct each university controlled by the Board to apply to participate in SARA.

He commented that the changes do not alter the recommendations, but present them more accurately and clearly.

Dr. Shekleton answered a question about the variable fee. He explained that this fee would only be charged to cover the cost of administering the program and not to make a profit. Furthermore, he explained that through our participation in WICHE SARA there are lines of communication between other regional SARA organizations so it would apply to other regional compacts.

IT WAS MOVED by Regent Johnson, seconded by Regent Sutton to (1) accept the proposed amendment to draft Board Policy No. 1:29(7)(C)(2)(b)(ii); (2) adopt the substitute recommended action of the Executive Director and thereby (a) approve the proposed Board Policy No. 1:29 as amended; (b) authorize the President of the Board to execute and the Executive Director to submit the Application and Evaluation Form for State Membership in the Western Interstate Commission for Higher Education State Authorization Reciprocity Agreement (WICHE SARA); (c) approve a state SARA participation fee of \$4,000 per institution for FY215; (d) authorize the Executive Director to proceed with the administration of the program upon admission of South Dakota to SARA membership; and (e) direct each university controlled by the Board to apply to participate in SARA.

All members voting AYE. The MOTION CARRIED. A copy of the South Dakota Application to Join the Western Interstate Council of Higher Education State Authorization Reciprocity Agreement can be found on pages ____ to ____ of the official minutes.

UNIVERSITY CENTERS ANNUAL REPORT

Dr. Daniel Palmer explained that the *University Centers Annual Report* is a compilation of three separate reports, one submitted by each of the state's three University Center locations: Capital University Center, Pierre; University Center – Rapid City; and University Center – Sioux Falls. These reports highlight enrollment trends, degree programs, geographic impact, and financial information for their respective facilities.

Dr. Palmer said that this report is typically shared in June; however, because of the turnover in leadership at the Centers, the report was moved to October this year. The report still refers to the same timeframe as it has in past years. He noted that in future years, the report will be produced again in June.

Dr. Janelle Toman summarized the work being done at Capital University Center. She noted that distance education is affecting the fringe markets. She touched upon total credit hours and headcount at the Centers and noted that the majority of CUC students are of non-traditional student age.

Dr. Craig Johnson explained that UC-Sioux Falls touched the lives of over 2,900 students this year. He said the diverse student population is growing. He noted that financially there continues to be a shortfall, but that shortfall is attributed to the unsuccessful UC Foundations program. He further noted that although these Centers were developed for adult students, he sees more and more traditional students coming to UC-SF and wanting daytime classes. He discussed the marketing campaign that the UC-SF is about to undertake, which focuses on the six universities and the UC as being the vehicle that delivers that education.

Dr. Gene Bilideau provided insights into the efforts at UC-Rapid City. He discussed the effort to incorporate more corporate needs. He also noted that even though the UC has been in Rapid City, many people in the community still do not know about it. He said the class hybrid format is on the rise.

In response to a question about the increasing participation of traditional age students, Dr. Johnson explained that most students are employees in the retail and service sector and they are challenged to find a class schedule that can accommodate an inconsistent schedule. It was also said that perhaps adult students are finding that distance classes are more suited to their lifestyle. The UC Directors explained that it is becoming more and more critical to lay out a path to graduation, which helps students understand what they need to do in order to finish.

It was noted that online education has its niche, but many UC students embrace face-to-face delivery. The vast majority of these students see distance as a second choice and is only utilized when the in-class option is not available.

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

FY2014 DISTANCE EDUCATION REPORT

Dr. Palmer explained that the *FY2014 Distance Education Report* provides a summary of performance data related to SDBOR's distance delivery initiatives. He explained that the key observations examined in the *Full Report* include continued growth of distance education but a slowing of the growth trend. He said graduate students take roughly 80% of their courses online; undergraduate students take roughly 30% of their courses online.

The regents asked for information related to how many distance students are also on-campus students. Dr. Palmer explained that there are many instances where these data cannot be extracted.

A description of asynchronous and synchronous classes was provided.

A copy of FY2014 Distance Education Report can be found on pages ___ to ___ of the official minutes.

2013 HIGH SCHOOL TO COLLEGE TRANSITION REPORT

Dr. Palmer explained that since 1995 SDBOR has provided data to in-state school districts on the first-year performance of the most recent cohort of high school graduates entering the Regental system. Individualized (district-level) reports – depicting Regental enrollments, remedial placement, first-year academic performance, and course taking patterns – are made available to the state’s school districts on an annual basis. He provided a summary of the 2013 High School Transition Report for the statewide cohort of 2013 high school graduates.

Regent Sutton said the percentage of “no ACT readiness benchmarks” is going down. In response to a question, Dr. Palmer said that we do not compare this to regional information.

Dr. Palmer further explained that this information will be put into a dashboard form and will be shared with school districts.

A copy of the 2013 High School to College Transition Report item can be found on pages ___ to ___ of the official minutes.

2015 PROPOSED LEGISLATION

Dr. Monte Kramer reviewed the current proposed 2015 legislation.

A copy of the 2015 Proposed Legislation can be found on pages ___ to ___ of the official minutes.

SDBOR STRATEGIC PLAN

Dr. Warner explained that following initial review of the draft 2014-2020 system Strategic Plan at the August BOR retreat, the Board of Regents provided further comment and feedback. Their feedback was incorporated, and a revised plan is offered for discussion and consideration. He explained the current proposed strategic plan and its purpose of being a guide for our budget requests and Board items.

He noted that the current percent of operating budget funded by the state should be 39%, although the metrics sheet currently shows it as 37%.

In response to a question, Dr. Warner recommends an annual reporting structure on the metrics toward the goal.

Regents discussed indicators of success in college. Dr. Warner said that the best predictor is the high school curriculum taken by the students. Dr. Warner explained that although ACT benchmarks and future income are very closely correlated, they are less correlated to college success.

IT WAS MOVED by Regent Sutton, seconded by Regent Schartz to approve the Board of Regents 2014-2020 Strategic Plan. All members voting AYE. The MOTION CARRIED. A copy of the SDBOR Strategic Plan can be found on pages ____ to ____ of the official minutes.

BOR POLICY 3:15 SCHOLARSHIPS, GRANTS AND LOANS

Mr. Nathan Lukkes explained that the Research Affairs Council discussed amending BOR Policy 3:15 to allow for the utilization of F&A receipts (sometimes called indirect or overhead receipts) to fund graduate research assistants and fellows at its July 2014 and December 2013 meetings. In summary, when an institution expends funds to cover the cost of tuition and fees, including tuition remission, that activity is designated as a “scholarship.” BOR Policy 3:15 specifies the allowable funding sources for scholarships, which does not include Facilities and Administration (F&A) receipts. Additionally, when an institution obtains F&A receipts they are subsumed by the institution, in effect becoming funds of the institution. Consequently, without a change in BOR Policy, the utilization of such funds to cover scholarships would constitute tuition discounting, which is prohibited.

He explained that the recommended changes were initially discussed and approved by RAC at its July meeting and vetted by BAC at its August meeting. BAC recommended a few minor modifications, which were incorporated and approved by RAC at its August meeting. COPS members should be prepared to discuss any campus specific issues or concerns regarding the recommended changes to BOR Policy 3:15.

In response to a question, Dr. Warner answered questions related to the needs-based scholarship.

Dr. Paul Turman explained that there are four scholarships that are administered through the Board office. Regent Jewett indicated that the regents should be apprised of the number of award of awards and the dollar amounts awarded.

IT WAS MOVED by Regent Baloun, seconded by Regent Sutton to approve the proposed changes to BOR Policy 3:15 set forth in Attachment I. All members voting AYE. The MOTION CARRIED. A copy of the item BOR Policy 3:15 Scholarships, Grants and Loans can be found on pages ____ to ____ of the official minutes.

BOR POLICY 5:2 EXTERNALLY-SPONSORED PROGRAMS

Mr. Lukkes explained that the Research Affairs Council discussed concerns regarding institutional practices/procedures for terminating expenditures associated with grant activity at its

July 2014 and December 2013 meetings. In summary, concerns arose regarding institutional practices/procedures for compensating/adjusting for the reduction or termination of grants which results in a substantial impact to the institution's budget and the Board's knowledge and/or involvement in the process. As a result, certain notifications and procedural safeguards are being recommended to ensure adequate fiscal accountability. The following provides further context and explanation regarding the specific changes recommended for implementation.

Adequate procedures are in place at the campus level regarding the approval of grants, negating the need for approval by the Executive Director contained in Section 1 of BOR Policy 5:2. Furthermore, the sheer volume of grant activity System wide makes it impractical to require this level of approval to apply for or accept a grant. As such, the recommendation is to delete Section 1 in its entirety and replace it with a provision requiring institutions to notify the Executive Director in the event of the reduction or termination of a grant that results in a substantial impact to the institution's budget, and the Executive Director would then provide a report detailing the same to the Board on a quarterly basis.

In addition, the recommended change to (BOR Policy 3:15), which allows for the use of F&A receipts to fund graduate research assistant and fellow student aid, necessitates the addition of subsection E in Section 2 of BOR Policy 5:2. Without this change, the two policies contradict each other regarding the utilization of F&A receipts to fund graduate research assistant and fellow related student aid. There are also a number of cleanup changes recommended to bring the policy in line with current terminology and practice (i.e. referring to F&A in lieu of indirect or overhead) and to further clarify the intent of the policy.

Regent Jewett had questions about this policy and asked for clarification about the last action taken regarding this policy. He is concerned that this policy still has a gap in the administration of the grant programs.

Regent Baloun said this is a good start and can be amended in the future if needed.

Dr. Warner said that approval of this policy requires a quarterly report. He explained that a system-level review of all grants would create incredible delays in the grant submission process. Considering the large number of grants that go through the system, we would need to employ at least two more people to do the review in a timely way. He argued that if additional review needs to occur, there is more benefit to reviewing the grants and related process when a grant is discontinued.

Regent President Krogman reiterated the intent of the proposed policy, and explained possible amendments.

Regent Baloun said it behooves us to approve this policy as written. He said this policy protects the system and further review can take place at a later date.

IT WAS MOVED by Regent Baloun, seconded by Regent Schieffer to amend BOR Policy 5:2 as set forth in Attachment I. All members voting AYE. The MOTION CARRIED. A copy of the

item BOR Policy 5:2 Externally-Sponsored Programs can be found on pages ____ to ____ of the official minutes.

ACTIVE SERVICEMAN TUITION PROPOSAL

IT WAS MOVED by Regent Jewett, seconded by Regent Schieffer to approve the extension of the National Guard tuition benefit for undergraduate students for active duty service men (Reserves, Active Reserves and Active Military) at all University Center locations effective Spring 2015. A copy of the Active Serviceman Tuition Proposal can be found on pages ____ to ____ of the official minutes.

THURSDAY, OCTOBER 9, 2014

Regent President Krogman called the meeting of the Board to order at 9:00 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

I-A 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.

I-B Earnings of Liberal Arts Majors

The Committee was provided with the Earnings of Liberal Arts Majors report which explores census data from South Dakota in an effort to better understand regional differences in worker earnings by field of study. Information only. A copy of the Earnings of Liberal Arts Majors can be found on pages ____ to ____ of the official minutes.

I-C Graduate Production in SDWINS Targeted Fields

The Committee received the Graduate Production in SDWINS Targeted Fields report which highlights recent data with respect to SDBOR graduate production in disciplines leading to professions identified as “high-priority” by the South Dakota Workforce Development Council. Information only. A copy of the Graduate Production in SDWINS Targeted Fields can be found on pages ____ to ____ of the official minutes.

I-D DSTEP-ACT Alignment Analysis

The Committee was provided with DSTEP-ACT Alignment report which examines the relationship between ACT and DSTEP scores highlighting the strong statistical association between these measures. Information only. A copy of the DSTEP-ACT Alignment Analysis can be found on pages ____ to ____ of the official minutes.

I-E 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.

I-F International Activities Annual Report

The Committee received the annual international activities report from each campus that included a summary of campus activities, an overview of administrative structure/support for international study, specific goals/objectives for international study, key initiatives underway, and other related information. Information only. A copy of the International Activities Annual Report can be found on pages ____ to ____ of the official minutes.

I-G Office of STEM Partnerships Update

The Committee received an update and synopsis of the work conducted by the STEM Partnerships office over the past 2013-2014 year. Information only. A copy of the Office of STEM Partnerships Update can be found on pages ____ to ____ of the official minutes.

I-H Regional ACT Score Report Preferences

The Committee received the 2014 data as well as trend data regarding regional ACT score report preferences of high school graduates which demonstrates the Regental institutions' rank among the top institutions. Information only. A copy of the Regional ACT Score Report Preferences can be found on pages ____ to ____ of the official minutes.

I-I (1) Program Review Report – DSU

Dakota State University facilitated program reviews during the 2013-14 academic year for the following programs: Mathematics for Information System (Attachment I); and MS in Information Assurance and Computer Security (Attachment II). The materials found in the designated attachments provided the Committee with institutional summaries for each program. Information only. A copy of the Program Review Report – DSU can be found on pages ____ to ____ of the official minutes.

I-I (2) Program Review Report – SDSU

South Dakota State University facilitated program reviews during the 2013-14 academic year for the following programs: Associate of Arts in General Studies (Attachment I); Bachelor of General Studies (Attachment II); Dairy Production and Dairy Manufacturing (Attachment III); B.S. and M.S. in Mathematics, M.S. in Statistics, and Ph.D. in Computational Science and Statistics (Attachment IV); Economics (including Business specialization), Agricultural and Resource Economics, Agricultural Business, and Entrepreneurial Studies (Attachment V); Human Development and Family Studies (Attachment VI); and B.S. in Interdisciplinary Studies (Attachment VII). The materials found in the designated attachments provided the Committee with institutional summaries for each program. Information only. A copy of the Program Review Report – SDSU can be found on pages ____ to ____ of the official minutes.

I-I (3) SDSU Program Accreditation Outcome

South Dakota State University facilitated accreditation reviews during the 2013-14 academic year for the following programs: Secondary Education (certification), Education Admin, Curriculum & Instruct (Attachment I); and Master of Mass Communication (Attachment II). The materials found in the designated attachments provided the Committee with institutional summaries for each program. Information only. A copy of the SDSU Program Accreditation Outcome can be found on pages ____ to ____ of the official minutes.

I-J Dual Credit-Reduced Tuition Program

The Committee received an update on the High School Dual Credit Program along with data regarding the enrollment and headcount growth since the program began admitting students. Information only. A copy of the Dual Credit-Reduced Tuition Program can be found on pages ____ to ____ of the official minutes.

I-K Smarter Balance Assessments & Common Core

The Committee received an update on the recent field testing of the Smarter Balanced Assessments & Common Core initiative. Overall, the field testing was successful with very few issues impacting testing at any of the grade levels. Currently, there are three national level activities are underway which involve participation from higher education: 1) Achievement Level Setting; 2) State Vote on Achievement Levels; and 3) Teacher Education Integration. Information only. A copy of the Smarter Balance Assessments & Common Core can be found on pages ____ to ____ of the official minutes.

CONSENT ITEMS

II-A SDSBVI Advisory Council Appointments

It was moved by Regent Schieffer and seconded by Regent Baloun to approve the proposed appointments to the SDSBVI Advisory Council for the 2014-2015 academic year. A copy of the

SDSBVI Advisory Council Appointments can be found on pages ____ to ____ of the official minutes.

II-B Program Modification – USD

Regent Schieffer moved to approve USD's program modification request to inactivate its Counseling and Psychology in Education-Counseling-Substance Abuse Counseling Specialization. Regent Baloun seconded the motion and the motion passed. A copy of the Program Modifications – USD can be found on pages ____ to ____ of the official minutes.

II-C Departmental Name Change – SDSU

Regent Schieffer moved to approve SDSU's request to rename the Department of Engineering Technology Management to the Department of Construction and Operations Management. Regent Baloun seconded the motion and the motion passed. A copy of the Departmental Name Change – SDSU can be found on pages ____ to ____ of the official minutes.

II-D Request to Seek Accreditation – SDSU

Regent Schieffer moved to approve SDSU's request to seek accreditation from ADEND for its M.S. in Nutrition and Dietetics Internship program; and NASAD for its B.S. in Studio Art. Regent Baloun seconded the motion and the motion passed. A copy of the Request to Seek Accreditation – SDSU can be found on pages ____ to ____ of the official minutes.

II-E Cooperative Agreement – NSU

It was moved by Regent Schieffer and seconded by Regent Baloun to approve the proposed cooperative agreement between NSU and Hanyang University, Korea. Motion passed. A copy of the Cooperative Agreement – NSU can be found on pages ____ to ____ of the official minutes.

II-F Articulation Agreements – SDSU

It was moved by Regent Schieffer and seconded by Regent Baloun to approve the proposed cooperative agreement between SDSU and Western Iowa Tech Community College. Motion passed. A copy of the Articulation Agreements – SDSU can be found on pages ____ to ____ of the official minutes.

II-G Naming Request – SDSU, Edgar S. McFadden Biostress Laboratory

Regent Schieffer moved to approve the renaming of the Northern Plains Biostress Laboratory on the campus of South Dakota State University as the Edgar S. McFadden Biostress Laboratory. Regent Baloun seconded the motion and the motion passed. A copy of the Naming Request – SDSU, Edgar S. McFadden Biostress Laboratory can be found on pages ____ to ____ of the official minutes.

II-H FY15 R&D Innovation Grant Awards

The Committee received an update on the Research & Development Innovation Grant program which was established during the 2013 Legislative Session along with the list of recipients for the FY15 grant awards. Information only. A copy of the FY15 R&D Innovation Grant Awards can be found on pages ____ to ____ of the official minutes.

SUBSTANTIVE

III-A (1) Intent to Plan: BHSU, NSU, SDSU, USD – M.Ed. in Principal Preparation

Regent Baloun moved to approve BHSU, NSU, SDSU, and USD's request to develop a collaborative proposal for a M.Ed. in Principal Preparation with the following conditions: 1) The university will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers; 2) The proposal will define the specific knowledge, skills, and competencies to be acquired through the program, will outline how each will be obtained in the curriculum and will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies; and 3) The university will not request new state resources and the program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs. Regent Schieffer seconded the motion and the motion passed. A copy of the Intent to Plan: BHSU, NSU, SDSU, USD – M.Ed. in Principal Preparation can be found on pages ____ to ____ of the official minutes.

III-A (2) SDSU Intents to Plan – Division of Design

The Committee received a brief introduction to the five interrelated intents to plan requests for five programs submitted by SDSU. Information only. A copy of the SDSU Intents to Plan – Division of Design can be found on pages ____ to ____ of the official minutes.

III-A (2) (a) Intent to Plan: SDSU B.F.A. in Architecture

Regent Baloun moved to approve SDSU's request to develop a proposal for a B.F.A. in Architecture with the following conditions: 1) The university will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers; 2) The proposal will define the specific knowledge, skills, and competencies to be acquired through the program, will outline how each will be obtained in the curriculum and will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies; and 3) The university will not request new state resources and the program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs. Regent Schieffer seconded the motion and the motion passed. A copy of the Intent to Plan: SDSU BFA in Architecture can be found on pages ____ to ____ of the official minutes.

III-A (2) (b) Intent to Plan: SDSU B.F.A. in Graphic Design

Regent Baloun moved to approve SDSU's request to develop a proposal for a B.F.A. in Graphic Design including authorization for off campus delivery at the University Center Sioux Falls with the following conditions: 1) The university will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers; 2) The proposal will define the specific knowledge, skills, and competencies to be acquired through the program, will outline how each will be obtained in the curriculum and will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies; and 3) The university will not request new state resources and the program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs. Regent Schieffer seconded the motion and the motion passed. A copy of the Intent to Plan: SDSU BFA in Graphic Design can be found on pages ____ to ____ of the official minutes.

III-A (2) (c) Intent to Plan: SDSU B.F.A. in Interior Design

Regent Baloun moved to approve SDSU's request to develop a proposal for a B.F.A. in Interior Design with the following conditions: 1) The university will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers; 2) The proposal will define the specific knowledge, skills, and competencies to be acquired through the program, will outline how each will be obtained in the curriculum and will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies; and 3) The university will not request new state resources and the program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs. Regent Schieffer seconded the motion and the motion passed. A copy of the Intent to Plan: SDSU BFA in Interior Design can be found on pages ____ to ____ of the official minutes.

III-A (2) (d) Intent to Plan: SDSU B.F.A. in Studio Art

Regent Baloun moved to approve SDSU's request to develop a proposal for a B.F.A. in Studio Art with the following conditions: 1) The university will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers; 2) The proposal will define the specific knowledge, skills, and competencies to be acquired through the program, will outline how each will be obtained in the curriculum and will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies; and 3) The university will not request new state resources and the program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs. Regent Schieffer seconded the motion and the motion passed. A copy of the Intent to Plan: SDSU BFA in Studio Art can be found on pages ____ to ____ of the official minutes.

III-A (2) (e) Intent to Plan: SDSU B.L.A. in Landscape Architecture

Regent Baloun moved to approve SDSU's request to develop a proposal for a B.L.A. in Landscape Architecture with the following conditions: 1) The university will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers; 2) The proposal will define the specific knowledge, skills, and competencies to be acquired through the program, will outline how each will be obtained in the curriculum and will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies; and 3) The university will not request new state resources and the program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs. Regent Schieffer seconded the motion and the motion passed. A copy of the Intent to Plan: SDSU BLA in Landscape Architecture can be found on pages ____ to ____ of the official minutes.

III-A (2) (f) Intent to Plan: SDSU M.S. in Agricultural Education

Regent Baloun moved to approve SDSU's request to develop a proposal for a M.S. in Agricultural Education with authorization for online distance delivery with the following conditions: 1) The university will research existing curricula, consult with experts concerning the curriculum, and provide assurance in the proposal that the program is consistent with current national standards and with the needs of employers; 2) The proposal will define the specific knowledge, skills, and competencies to be acquired through the program, will outline how each will be obtained in the curriculum and will identify the specific measures to be used to determine whether individual students have attained the expected knowledge, skills, and competencies; and 3) The university will not request new state resources and the program proposal will identify the sources and amounts of all funds needed to operate the program and the impact of reallocations on existing programs. Regent Schieffer seconded the motion and the motion passed. A copy of the Intent to Plan: SDSU MS in Agricultural Education can be found on pages ____ to ____ of the official minutes.

III-B New Program: NSU Minor in Criminal Justice

Regent Schieffer moved to approve NSU's new program proposal for a Minor in Criminal Justice. Regent Baloun seconded the motion and the motion passed. A copy of the New Program: NSU Minor in Criminal Justice can be found on pages ____ to ____ of the official minutes.

III-C New Site Request: NSU B.S. in Accounting and B.S. in Professional Accountancy, Online

Regent Baloun moved to approve NSU's request to offer the B.S. in Accounting and B.S. in Professional Accountancy through online distance delivery. Regent Schieffer seconded the motion and the motion passed. A copy of the New Site Request: NSU BS in Accounting and BS in Professional Accountancy, Online can be found on pages ____ to ____ of the official minutes.

III-D (1) Revisions to Board Policy 2:1 – External Review of Graduate Programs

It was moved by Regent Baloun and seconded by Regent Schieffer to approve the proposed revisions to BOR Policy 2:1. Motion passed. A copy of the Revisions to Board Policy 2:1 – External Review of Graduate Programs can be found on pages ____ to ____ of the official minutes.

III-D (2) Revisions to Board Policy 2:7 – Baccalaureate General Education Curriculum

It was moved by Regent Baloun and seconded by Regent Schieffer to approve the proposed revisions to BOR Policy 2:7. Motion passed. A copy of the Revisions to Board Policy 2:7 – Baccalaureate General Education Curriculum can be found on pages ____ to ____ of the official minutes.

III-D (3) Revisions to Board Policy 2:26 – Associate Degree General Education Requirements

It was moved by Regent Baloun and seconded by Regent Schieffer to approve the proposed revisions to BOR Policy 2:26. Motion passed. A copy of the Revisions to Board Policy 2:26 – Associate Degree General Education Requirements can be found on pages ____ to ____ of the official minutes.

III-E System Placement Guidelines

It was moved by Regent Schieffer and seconded by Regent Baloun to approve the proposed revisions to the System Placement Guidelines. Motion passed. A copy of the System Placement Guidelines can be found on pages ____ to ____ of the official minutes.

III-F (1) Advanced Placement Guidelines

It was moved by Regent Schieffer and seconded by Regent Baloun to approve the proposed revisions to the Advanced Placement Guidelines. Motion passed. A copy of the Advanced Placement Guidelines can be found on pages ____ to ____ of the official minutes.

III-F (2) CLEP Guidelines

It was moved by Regent Schieffer and seconded by Regent Baloun to approve the proposed revisions to the CLEP Guidelines. Motion passed. A copy of the CLEP Guidelines can be found on pages ____ to ____ of the official minutes.

III-F (3) DANTES Score Updates

It was moved by Regent Schieffer and seconded by Regent Baloun to approve the revisions to the DANTES testing guidelines. Motion passed. A copy of the DANTES Score Updates can be found on pages ____ to ____ of the official minutes.

III-G eText Pilot Summary

The Committee received a summary of the events and outcomes associated with the eText pilot project which began in Fall 2013. The description of the pilot process and student evaluations can be found in Attachment I of the item; faculty evaluations are available in Attachment II. Information only. A copy of the eText Pilot Summary can be found on pages ____ to ____ of the official minutes.

Full Report

IT WAS MOVED by Regent Johnson, seconded by Regent Baloun to adopt the report and actions of the Committee on Academic and Student Affairs. All members voting AYE. The MOTION CARRIED. A copy of the Full Report can be found on pages ____ to ____ of the official minutes.

REPORT AND ACTIONS OF THE COMMITTEE ON BUDGET AND FINANCE

Regent Sutton presented the report and actions of the Committee on Budget and Finance as follows:

INFORMATIONAL ITEMS

I-A 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.

I-B Capital Project List

The Committee received the Capital Improvement Project List identifying 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. Information only. A copy of the Capital Project List can be found on pages ____ to ____ of the official minutes.

I-C 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 NSU Johnson Fine Arts Center Additions and Renovations project, over the course of several meetings, approved the budget worksheet with a total budget of \$12,000,000 that includes an available building budget of \$9,625,500 leaving a 5% contingency and allowing for various fees and testing, approved the solicitation of bids for the project and negotiations with the low bidder, Huff Construction and the architect, Baldrige and Nelson, to complete value engineering to

meet the budget and required a new Facility Design Plan be submitted for approval, and gave approval to begin the process of selecting a construction manager at risk for the project with Henry Carlson and KYBURZCARLSON being selected as the construction manager at risk for the project; the Building Committee for the SDSU New Football Stadium approved the Guaranteed Maximum Price of \$53,585,700 for the project; the Building Committee for the SDSM&T Facility Infrastructure Project-Chiller Portion approved the bid/construction documents submitted by West Plains Engineering with a total cost of \$2,250,000; the Building Committee for the SDSU New Cow Calf Research and Education Unit approved construction documents for the project, rejected the three low bids and approved the use of a construction manager at risk for the project; the Building Committee for the SDSU Headhouse/Greenhouse project approved the Facility Design Plan for the greenhouse portion of the project. A copy of the Building Committee Report can be found on pages ____ to ____ of the official minutes.

I-D Rocker Square II Lease Follow-up

The Committee received a report regarding the SDSM&T Rocker Square II Lease and its March 2013 pro forma and the actual financial results for FY14. While the revenues fell below the plan by \$53,217.05, SDSM&T was able to reduce expenses by \$48,531.48 by reducing custodial staff and sharing resident assistant staff. The net loss for the year was \$3,973.57. The variances between the Rocker Square revenues/expenses per the pro forma and the actuals are a result of the following issues: The original estimates anticipated a total of 148 beds (108 single/40 double). After the final walk through was done, it was determined that there were only 142 beds (114 single/28 double). The space available in rooms were described as being large enough for double were not, thus the singles increased and the doubles decreased. The change in the mix of beds available reduced revenue by \$16,260 for the year. Secondly, SDSM&T planned for 100% occupancy during the school year. That did not happen. The occupancy rate at census date was 99% and 96.5% during the 1st and 2nd semesters respectively. That resulted in a reduction of revenue of \$15,985.17 for the year. Thirdly, there were additional reductions in occupancy throughout the year. Students left the campus, switched between single and double rooms, and moved out for a variety of reasons. That resulted in a reduction of revenue of \$31,245.88 for the year. Fourthly, actual revenue during the summer was higher than projected by \$10,274. Lastly, SDSM&T reduced other operating expenses by \$48,531.48 for the year by not hiring additional custodial staff and sharing RA staff with Peterson Hall. Those were cost savings not anticipated in the original pro forma numbers. A copy of the Rocker Square II Lease Follow-up can be found on pages ____ to ____ of the official minutes.

CONSENT ITEMS

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

II-A Maintenance and Repair Institutional Projects

Approve BHSU's request to replace or retrofit building exterior lighting at an estimated cost of \$200,000. Funding for this project will come from infrastructure bond funds and IRP funds.

Approve the Executive Director's emergency authorization of NSU's request to replace two steam boilers in Jerde Hall at an estimated cost of \$400,000. Funding for this project will come from NSU's auxiliary funds.

Approve SDSU's project request to replace a partial section of the University Student Union roof at an estimated cost of \$520,000. Funding for this project will consist of \$182,000 from FY15 auxiliary funds and the remaining \$338,000 from food service revenue funds. A copy of the Maintenance and Repair Institutional Projects can be found on pages ____ to ____ of the official minutes.

II-B F&A Rates and Allocation

Approve the current federally negotiated F&A rates and related allocation policies at each institution. A copy of the F&A Rates and Allocation can be found on pages ____ to ____ of the official minutes.

II-C Resolution requesting the grant to the SDDOT of temporary construction easements for work along Highway 14 adjacent to SDSU

Adopt the resolution requesting that the Commissioner of School and Public Lands draw up all necessary documents and to forward them to the Governor to request their execution in order to grant to the South Dakota Department of Transportation temporary construction easements covering Parcel A4, located in the Stadium Road Wetland Addition to the City of Brookings and the NW ¼ of Section 24, Township 110 Range 50 West of the Fifth Prime Meridian, in the City of Brookings, in the County of Brookings, South Dakota, as shown on an engineering document set forth as Exhibit A to the resolution and incorporated therein as though fully set forth; Parcel A 4, located in E ½ of the NE ¼ of Section 24, Township 110 Range 50 West of the Fifth Prime Meridian, in the City of Brookings, in the County of Brookings, South Dakota, as shown on an engineering document set forth as Exhibit B to the resolution and incorporated therein as though fully set forth; Parcel E 2, located in W ½ of the SE ¼ of Section 13, Township 110 Range 50 West of the Fifth Prime Meridian, in the City of Brookings, in the County of Brookings, South Dakota, as shown on an engineering document set forth as Exhibit B to the resolution and incorporated therein as though fully set forth; and Parcel E 3, located in West 371 of the East 548 feet of the South 276 feet in the W ½ of the SE ¼ of Section 13, Township 110 Range 50 West of the Fifth Prime Meridian, in the City of Brookings, in the County of Brookings, South Dakota, as shown on an engineering document set forth as Exhibit B to the resolution and incorporated therein as though fully set forth. A copy of the Resolution requesting the grant to the SDDPT of temporary construction easements for work along Highway 14 adjacent to SDSU can be found on pages ____ to ____ of the official minutes.

SUBSTANTIVE

III-A Special Schools M&R Fund

Unlike the six universities, the special schools are not eligible for a Higher Education Facilities Fund (HEFF) allocation. To provide maintenance and repair dollars for the two special schools,

the Board pursued legislation that would allow the Board to establish a School and Public Lands (S&PL) trust from the money available from the over-funding of the Presidents' Retirement Fund. This legislation was approved during the 1998 Legislative Session. The fund earned \$47,515 in FY14 to fund M&R projects. A copy of the Special Schools M&R Fund can be found on pages ____ to ____ of the official minutes.

III-B SDSM&T Music Center (Old Gym) Renovation – Preliminary Facility Statement

Regent Jewett moved and Regent Schartz seconded the motion to approve SDSM&T's Preliminary Facility Statement to renovate the Music Center (AKA Old Gym). Project approval will allow SDSM&T to move forward with its Facility Program Plan. Funding for this project will come from private donations through a SDSM&T fundraising campaign. Board President appointed Regent Kathryn Johnson as the Building Committee representative for this project. A copy of the SDSM&T Music Center (Old Gym) Renovation – Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

III-C SDSU Animal Disease Research and Diagnostic Laboratory (ADRDL) Additions and Renovations – Preliminary Facility Statement

It was moved by Regent Jewett and seconded by Regent Schartz to approve SDSU's Preliminary Facility Statement to construct additions to and renovate the Animal Disease Research and Diagnostic Laboratory (ADRDL). Project approval will allow SDSU to move forward with its funding plan and Facility Program Plan. Legislative approval will not be requested until the funding is available. Board President Krogman appointed Regent Schieffer as the Building Committee representative to oversee the planning of this project. A copy of the Animal Disease Research and Diagnostic Laboratory (ADRDL) Additions and Renovations – Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

III-D SDSU Plant Science Research Support Facility – Preliminary Facility Statement

Regent Schartz moved to approve SDSU's Preliminary Facility Statement to plan construction of a Plant Science Research Support Facility. Project approval will allow SDSU to move forward with its Facility Program Plan. Potential funding for this project includes a grant from the Foundation Seed Stock Division, university Facility and Administration (indirect) resources and private resources. If funding can be confirmed, and would be available upon passage of legislation, this facility will need to be added to the 2016 Legislative Package for approval. Board President Krogman appointed Regent Schartz as the Building Committee representative to this project. Regent Krogman seconded the motion and the motion passed. A copy of the SDSU Plant Science Research Support Facility – Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

III-E SDSU Headhouse and Greenhouses – Facility Design Plan

Regent Jewett moved and Regent Schartz seconded approval of SDSU's Facility Design Plan to construct two new greenhouses and convert the Headhouse from the current interim art studio function to a headhouse function in support of the new greenhouses at an estimated cost of

\$2,985,000. Funding for this project will come from private donations to the Foundation and Foundation Seed Stock. A copy of the SDSU Headhouse and Greenhouses – Facility Design Pln can be found on pages ____ to ____ of the official minutes.

Full Report

IT WAS MOVED by Regent Schartz, 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 9 at 9:10 a.m. All members voting AYE. The MOTION CARRIED.

DRAFT