

**BOARD OF REGENTS
MINUTES OF THE MEETING
March 31 – April 2, 2015**

The South Dakota Board of Regents met on March 31-April 2, 2015 in the Muenster University Center Ballroom at the University of South Dakota in Vermillion, South Dakota, with the following members present:

Dean Krogman, President
Randy Schaefer, Vice President
Bob Sutton, Secretary
Terry Baloun, Regent
John Bastian, Regent
Harvey Jewett, Regent
Kathryn Johnson, Regent
Joe Schartz, Regent
Kevin Schieffer, Regent

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; Claudean Hluchy, Budget Manager; Dave Hansen, Director of Information Technology; Molly Weisgram, Director of Student Affairs and Assistant to the CEO and Board; Katie Boehnke, Research Analyst; Katie Maley, Senior Academic Affairs Coordinator; Molly Hall-Martin, Director of Student Preparation & Success; Jay Perry, Director of Academic Programs; James Abbott, USD; David Chicoine, SDSU; Marysz Rames, Interim President DSU; Tom Jackson Jr., BHSU; Marjorie Kaiser, SDSBVI and SDSD; Heather Wilson, SDSM&T; Jeff Siekmann, Wesley Tschetter, Laurie Nichols, Allyson Helm, Nicholas Lorang, Olivia Siglin, Nathaniel Cacy, Lexi Opheim, Matt Dahle, Courtland McCranie, Robert (Lane) Speirs, Caleb Finck, Aaron Melville, Terra Klima, Hanna Larson, Jeremiah Atkinson, Jacob Ailts, Robert McLean, Brianna Mettler, Molly Peterson, Christina Brennan, Kristine Beck, Doug Wermedal, SDSU; Veronica Paulson, Tom Hawley, Connie Ruhl-Smith, JoEllen Lindner, Cody Folden, Aaron Mayo, Menno Schuckking, Joe Britton, Jory Kuneman, Katie Graham, Leandra Schlecht, Thomas Hardcastle, NSU; Sheila Gestring, Alan Aldrich, Kimberly Grieve, Deborah Dodge, Mary Nettleman, Sami Zoor, Eric Leise, Anthony Mandela, Sandy Uhing, Chris Stockdale, Ashley McKeown, Patty Lase, John Howe, Kathy Carlson, Krista Welch, Jessica Preister, Laurie Johnson, Carly Heard, Brianna Davis, Cameron Frentress, Shelley Brunick, Melissa Harnett, Heidi Bennett, Nick Bratvold, Tyler Tordsen, Scott Pohlson, Sarah Wittmuss, E. Lee Felder, Jr., Michael Lawler, Jim Moran, USD; Stacy Krusemark, Judy Dittman, DSU; Kathy Johnson, Rod Custer, Curtis Card, BHSU; Mike Gunn, Richard Sinden, Kelli Shuman, Heather Forney, Pat Mahon, Steve Malott, Rohit Dulal, Anthony Wright, Claire Peavey, Brigit Kelly, Rachel Raysby, SDSM&T; Jessica Peterson, Harrison Costello, Rachelle Norberg, Student Federation; Craig Johnson, University Center – Sioux Falls; Gene Bilodeau, University Center – Rapid City; Steven Kohler, BFM; Loren Paul, SDEA; Jim Morgan; and other students, faculty, and members of the press.

TUESDAY, MARCH 31, 2015

The Regents convened in open session at 6:00 p.m. on Tuesday, March 31, in the Muenster University Center at the University of South Dakota.

Regent President Dean Krogman called the meeting of the Board of Regents to order at 6:00 p.m. on March 31, 2015, and declared a quorum present.

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, March 31, 2015, in order to discuss personnel matters; that it adjourn at 9:00 p.m. and reconvene in executive session at 8:00 a.m. on Wednesday, April 1, 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 12:30 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, APRIL 1, 2015

Regent President Dean Krogman called the meeting of the Board of Regents to order at 12:30 p.m. on April 1, 2015, and declared a quorum present.

President Krogman introduced new Regent John Bastian who was appointed to the Board of Regents on December 29, 2014 as well as soon-to-be Regent Jim Morgan who will be appointed to the Board of Regents on April 3, 2015.

REVISION OF SOUTH DAKOTA BOARD OF REGENTS BY-LAWS

Dr. James F. Shekleton explained the current By-Laws of the South Dakota Board of Regents, which provide for date specific terms for Board offices and standing committee assignments, beginning on April 1 of each year and ending on March 31 the following year.

He explained that these dates unnecessarily interfere with the regular order of business in those years when regular meetings overlap with the designated ends and beginnings of such terms. Hence, in order to obviate such problems as may arise from time to time, the By-Laws must be amended.

The Board has for many, many years coordinated its schedule with the legislative calendar. This affords the Board an opportunity to review the annual appropriations bill, or other pertinent legislation, prior to finalizing tuition and fee rates or otherwise making commitments for the following fiscal year. The April 1-March 31 provision for Board offices and committee assignments usually serves that purpose, but it would be possible to avoid any potential conflict by redrafting By-Laws 2.1 and 3.0 to refer to Legislative Sessions rather than dates.

Accordingly, the Executive Director recommends that the Board amend By-Laws 2.1 and 3.0 to specify that the term of Board offices and standing committee assignments continues through the end of the first regularly scheduled Board meeting following the annual Session of the South Dakota Legislature.

IT WAS MOVED by Regent Schaefer, seconded by Regent Sutton to amend By-Laws 2.1 and 3.0 to specify that the term of Board offices and standing committee assignments continues through the end of the first regularly scheduled Board meeting following the annual Session of the South Dakota Legislature. All members voting AYE. The MOTION CARRIED.

A copy of the Revision of South Dakota Board of Regents By-Laws can be found on pages ___ to ___ of the official minutes.

WELCOME AND PRESENTATION BY USD PRESIDENT JAMES ABBOTT

USD President James Abbott welcomed the audience to the University of South Dakota. He introduced a new member of USD's Executive Team, E. Lee Fleder, Jr., and new HR Director of USD. Additionally, he also introduced USD Foundation President Steve Brown. Mr. Brown provided a brief update on the USD Foundation structure and activities. He also provided a status update on its current South Dakota Onward campaign and explained that the USD Foundation has a current investment pool amount of \$218.4 million.

APPROVAL OF THE AGENDA

IT WAS MOVED by Regent Sutton, seconded by Regent Baloun to amend the agenda to include the Report of Standing Committees on Thursday, April 2. All members voting AYE. The MOTION CARRIED.

APPROVAL OF THE MINUTES

IT WAS MOVED by Regent Schieffer, seconded by Regent Schartz to approve the minutes of the regular meeting on December 2-4, 2014 and the special meeting on March 18, 2015. All members voting AYE. The MOTION CARRIED.

COMMENTS FROM INDIVIDUAL REGENTS

President Dean Krogman noted the brochure that was distributed regarding the progress of the Dana J. Dykhouse Stadium at SDSU.

REPORT AND ACTIONS OF EXECUTIVE SESSION

Upon convening at 6:00 p.m. on Tuesday, March 31, 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, April 1, 2015 in order to discuss personnel matters; pending and prospective litigation, collective bargaining matters, and to consult with legal counsel, rising from executive session at 12:30 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, collective bargaining matters, consulted with legal counsel, and gave directions to its executive director and general counsel concerning these matters.

IT WAS MOVED by Regent 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 the title of Professor Emeritus of Political Science be granted for Dr. Ahrar Ahmad (BHSU); title of Professor Emeritus of Education and Behavioral Sciences be granted for Dr. Clayton Gregory Cooch (BHSU); title of Professor Emeritus of Education and Behavioral Sciences be granted for Dr. James Hesson (BHSU); title of Professor Emerita of History be granted for Dr. Kathleen Parrow (BHSU); and title of Professor Emeritus of Liberal Arts be granted for Dr. David Wolff (BHSU); title of Professor Emeritus of Civil and Environmental Engineering be granted for Dr. Sangchul Bang (SDSM&T); and title of Professor Emerita of Microbiology be granted for Dr. Sookie S. Bang (SDSM&T); title of Professor Emerita of Political Science be granted for Dr. April Brooks (SDSU); title of Professor Emeritus of Veterinary and Biomedical Sciences be granted for Dr. David Francis (SDSU); title of Professor Emeritus of Electrical Engineering be granted for David Galipeau (SDSU); and title of Professor Emerita of Counseling and Human Development be granted for Dr. Marla Muxen (SDSU); title of Distinguished Professor Emeritus of English be granted for Dr. Charles Woodard (SDSU); title of Professor Emeritus be granted for Dr. L. E. Bradley (USD); title of Professor Emerita be granted for Dr. Dona Lee Davis (USD); title of Associate Professor Emeritus be granted for Dr. Earl D. Kemp (USD); title of Professor Emeritus be granted for John Koster (USD); title of Associate Professor Emeritus be granted for Linda Scribner (USD); and title of Professor Emerita be granted for Dr. Barbara Yutzenka (USD). A copy of the resolutions of recognition can be found on pages ___ to ___ of the official minutes.
2. Award an honorary Doctor of Public Service degree to Michael Shann (BHSU); honorary Doctor of Letters and Literature degree to Jerome A. Greene (BHSU); honorary Doctor of Science degree to Greg Graves (SDSM&T); honorary Doctor of Public Service degree to T. Denny Sanford (SDSU); honorary Doctor of Humane Letters degree to Tom Gallagher (USD); posthumous B.S. in Pharmaceutical Sciences degree to Tia Krier (SDSU); and posthumous B.S. in Political Science degree to Christopher Rieb (SDSU).
3. Approve the leave request for Dr. Greg Blair for the 2016 spring semester (NSU); Peter Kilian for the 2015 fall semester (NSU); Dr. Jon Schaff for the 2016 spring semester (NSU); Xinhua Bai for the 2015-16 academic year (SDSM&T); David Cartrette for the 2016 spring semester (SDSU); Gregory Peterson for the 2016 spring semester (SDSU); and Daniel Schaal for the 2016 spring semester (SDSU).
4. Approve awarding (1) year of prior service credit toward tenure and one (1) year of prior service credit toward promotion for Anthony Wachs (NSU); and one (1) year of prior service credit toward tenure for Qi Hua Fan (SDSU).
5. Approve the request for a one (1) year extension of time for tenure consideration for Dr. Christina Belanger (SDSM&T).
6. Approve the request to grant tenure to Dr. Michele Dudash, department head of Natural Resource Management (SDSU).
7. Accept the appointment of E. Lee Fleder, Jr. as the vice president for human resources for USD with an effective date of January 20, 2015 at an annualized salary of \$102,000; accept the salary increase for Molly Weisgram, system director of student affairs and executive assistant to the Executive Director and Board of Regents, to \$78,103 as of February 22, 2015

due to a market adjustment and increased duties; accept the salary increase for Dr. Kimberly Grieve, vice president of student services and dean of students, effective January 22, 2105 at an annualized salary of \$130,000; accept the resignation of Kathy Larson from her position as executive director of the DSU Foundation effective February 6, 2015; accept the resignation of Dr. Thomas Hawley as provost and vice president for academic affairs effective June 21, 2015; accept the retirement of R. Lee Ginsbach, Chief Financial and Business Officer to SDSBVI and SDSD effective March 21, 2015; accept the retirement of Dr. Jack Warner as of July 1, 2015 as Executive Director and Chief Operating Officer of the South Dakota Board of Regents.

8. 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 March 17 meeting of the Council of Presidents and Superintendents.

REPORT OF THE EXECUTIVE DIRECTOR

Dr. Warner took a moment to share his gratitude for the leadership provided by Regent President Krogman during his term of president and his service to the Board of Regents.

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 ___ of the official minutes.

All members voting AYE. The MOTION CARRIED.

STUDENT FEDERATION REPORT

Student Federation Executive Director Jess Peterson announced the new Student Federation Executive Director Chance (Harrison) Costello who was elected the previous evening. In addition, she explained that at its meeting the federation approved the budget for the upcoming year.

Dr. Warner took a moment to express his appreciation for Jess Peterson's leadership over the last year. He noted the particularly effective work of students during this legislative session.

STUDENT ORGANIZATION AWARDS – SDSU & USD

Dr. Doug Wermedal, Associate Vice President of Student Affairs presented the SDSU student organization awards. Honors College Student Organization accepted the award for Academic Excellence. Honors College seeks to enhance the experience of students both inside and outside the classroom by providing a welcoming environment to build community and a range of opportunities for service, personal development, and growth. Alpha Xi Delta accepted the award

for Community Service. Alpha Xi Delta is a Greek women's organization whose ideals center on sisterhood, leadership, knowledge, and service to the community. The SDSU chapter of APhA-ASP accepted the award for Organizational Leadership. The mission of APhA-ASP is to allow students an opportunity to voice their ideas in order to advance pharmacy and provide opportunities that lead to improved leadership and patient care skills.

Dr. Kimberly Grieve, Vice President of Student Affairs and Dean of Students, presented the Student Organization Awards for USD. Kappa Alpha Theta accepted the award for Academic Excellence. Kappa Alpha Theta is a Greek women's organization whose members pride themselves in education and involvement on campus. AWOL (Alternative Week of Off Campus Learning) accepted the award for Community Service. AWOL program immerses students in educational service-learning experiences through exposure to diverse social issues and encourages post-trip application of those experiences. Lambda Chi Alpha accepted the award for Organizational Leadership. Lambda Chi Alpha is a Greek men's organization that participates heavily in extracurricular involvement both within the University of South Dakota and the Vermillion community.

A copy of the Student Organization Awards – SDSU & USD can be found on pages ___ to ___ of the official minutes.

2015 LEGISLATIVE OVERVIEW

Dr. Janelle Toman, system director of communications, provided an overview of the 2015 South Dakota Legislative session. She explained that HB1206 dealt with concealed carry on campus. She noted it was the single most engaging and difficult issue that the Board of Regents took up this session. She recognized the campus presidents, staff, and students.

A copy of the 2015 Legislative Overview can be found on pages ___ to ___ of the official minutes.

FY14 AUDIT REVIEW

Mr. Scott Van Den Hemel, system financial compliance officer, explained the FY14 Statewide Comprehensive Annual Financial Report (CAFR) was released on February 25, 2015.

He explained that there is one written audit finding for the BOR system. He noted that the adjustments and corrective action have been discussed with financial representatives at each campus and steps are being taken to have the corrective action in place prior to the end of fiscal year 2015.

He recognized the university accounting staff at USD, DSU, NSU and SDSU for their near perfect audits. He also noted that the system continues to make improvements in financial accounting and reporting under tighter timeframes and new leadership. All members voting AYE. The MOTION CARRIED.

A copy of FY14 Audit Review can be found on pages ___ to ___ of the official minutes.

FY16 BUDGET SUMMARY

Ms. Claudean Hluchy, system budget manager, stated that the passage of FY16 General Bill (HB 1208) came along with the conclusion of the 2015 Legislative Session. She noted that the Board of Regents received a total increase of \$3,465,731 to the general fund base which does not include the employee compensation package. This is a 1.8% increase over the FY15 general fund base.

She explained that several amendments were passed on the final day of session, two of which affected the Board of Regents. The first was the change in the movement to market value for Civil Service Act (CSA) employees from 2.5% to 2.0%. The second was a change to the South Dakota Opportunity Scholarship legislation and related appropriation, changing the increased award amounts to pertain only to new students receiving the award for the first time after July 1, 2015.

In addition, she provided a summary of the general fund base budget changes.

Dr. Warner said that there was strong interest by the legislative body to support another tuition buy-down or freeze. However, because revenue was not following projections, they had to cut this from the budget. That said, it survived until the very last day of session.

A copy of the FY16 Budget Summary can be found on pages ___ to ___ of the official minutes.

FY15 GENERAL BILL AMENDMENTS

Ms. Hluchy explained amendments to the FY15 general bill. The Board of Regents received additional utility money and FTE for FY15.

A copy of the FY15 General Bill Amendments can be found on pages ___ to ___ of the official minutes.

BOR POLICY 4:30 – SPONSORSHIP OF EMPLOYEE PERMANENT RESIDENT APPLICATIONS

Dr. Monte Kramer, system vice president of finance and administration, explained that the Board of Regents, through Shared International Employment Services (SIES), assists full-time international faculty and administrative employees in acquiring and maintaining lawful status and eligibility to work at BOR institutions. This includes temporary work authorizations as well as permanent residency (“green card”) applications. The primary emphasis of permanent residency applications by SIES is for teaching faculty and tenure-track research positions. However, requests are also received for non-academic staff positions which have more difficult processing requirements and are time consuming to process, with a much lower success rate due to arduous DOL regulations intended to protect U.S. workers.

He said a policy has been developed to provide definitions for these processes and to specify which positions are eligible for SIES processing (sponsorship) and which positions are not eligible for SIES processing. The policy also provides an exception process, whereby an exception can be

granted and the permanent residency applications can be processed through approved outside counsel.

Regent President Krogman asked if this is boiler plate language. Dr. Kramer said that it was started with boiler plate language but was whittled down by staff and Dr. Shekleton.

Regent Jewett asked for clarification about visas. Dr. Kramer said this policy only deals with employees. It intends to support non-citizen employees who were likely recruited into a position because of their specialized expertise and who the institution would like to retain. Regent Jewett asked how successful the institutions are in retaining foreign graduate students. Dr. Kramer said that many foreign students come to the United States to attain education but many of these students return home. To get a more thorough answer, he would have to defer to someone more knowledgeable in that particular area.

IT WAS MOVED by Regent Schieffer, seconded by Regent Schaefer to approve BOR Policy 4:30 – Sponsorship of Employee Permanent Resident Applications. All members voting AYE. The MOTION CARRIED.

A copy of the BOR Policy 4:30 – Sponsorship of Employee Permanent Resident Applications can be found on pages ___ to ___ of the official minutes.

BOR POLICY 5:6 – STUDENT FICA EXEMPTION

Mr. Kramer explained that IRS regulations provide for a waiver of the Federal Insurance Contributions Act (FICA) for students employed by a university that are enrolled and regularly attending classes at the school. To qualify for the exemption, the educational aspect of the relationship between the student employee and the employer must be predominant. A relevant factor in evaluating the student's course load is the load relative to a full-time course workload at the school. This determination is made based on the regular definitions and practices of the school.

He noted that after following up on a payroll issue last year related to FICA exemption, it was learned that each campus was determining its own standard of what constituted the necessary threshold for the FICA exemption. BAC and AAC have come to agreement that consistency across the system is necessary in order to avoid payroll tax liability. He explained the standard that will be put in place with BOR Policy 5:6.

If a student is not enrolled for the minimum number of hours for a particular payroll period, he/she would not be exempted from FICA. If the student subsequently enrolls for the necessary minimum, the universities cannot go back and correct previous payrolls. This is to avoid negative FICA payments to the federal government, which is a huge concern of the State Auditor.

IT WAS MOVED by Regent Johnson, seconded by Regent Schartz to Approve BOR Policy 5:6 – Student FICA Exemption. All members voting AYE. The MOTION CARRIED.

A copy of the BOR Policy 5:6 – Student FICA Exemption can be found on pages ___ to ___ of the official minutes.

BOR POLICY 2:29 – DEFINITION OF CREDITS AND RELATED INSTITUTIONAL REQUIREMENTS

Dr. Jay Perry, system director of academic programs, explained that Section 1.7.C of Policy 2:29 sets definitions for full-time, half-time, and three quarters time enrollment of undergraduate students. No corresponding definitions for graduate students currently exist in the policy due to the variations involved in the requirements of individual graduate programs.

He said that for the past year, the Academic Affairs Council, Business Affairs Council, graduate deans, and others have discussed the appropriate method for calculating enrollment status relative to qualification for a student exemption to the Federal Insurance Contributions Act (FICA). The Business Affairs Council has submitted a new policy, BOR Policy 5:6 - Student FICA Exemption, to provide clarity on qualifying undergraduate and graduate student enrollment definitions for the exemption.

The Academic Affairs Committee has proposed the attached revisions to Policy 2:29 to accompany Policy 5:6 to add further clarity to the issue of enrollment definitions for FICA exemptions. He provided a brief summary of those revisions.

IT WAS MOVED by Regent Sutton, seconded by Regent Johnson to approve the proposed revisions to BOR Policy 2:29. All members voting AYE. The MOTION CARRIED.

A copy of the BOR Policy 2:29 – Definition of Credits and Related Institutional Requirements can be found on pages ____ to ____ of the official minutes.

BOR POLICY 1:29 – SOUTH DAKOTA STATE AUTHORIZATION RECIPROcity AGREEMENT

Dr. Paul Turman, system chief academic affairs officer, explained BOR Policy 1:29, which governs the South Dakota State Authorization Reciprocity Agreement (SD-SARA), includes language describing the fee structure for state SARA fees paid to the Board office. As originally written, the policy states that institutions applying to SARA must send the state fee (which is currently set at \$4,000) to the Board office along with their application. The policy then states that the state fee will be renewed on July 1 of each year of membership. However, the original language of policy provided no guidance to prorate the fee for those institutions who join SARA mid-year. By changing the policy to allow for proration, institutions who participate in SARA for less than the full year will not be required to pay the full fee.

He said the proposed change would require institutions to pay the full fee at the time of application. Then, the institution will pay a one-time, prorated renewal fee based on how many months they have been participating in SARA prior to July 1. The date an institution is approved by NC-SARA will be used to determine the fee. Institutions will be notified of their initial renewal fee amount at the time of approval. Following the initial renewal payment, institutions will then pay the full state SARA renewal fee in subsequent years.

IT WAS MOVED by Regent Schieffer, seconded by Regent Schaefer to approve the proposed revisions to BOR Policy 1:29. All members voting AYE. The MOTION CARRIED.

A copy of the BOR Policy 1:29 – South Dakota State Authorization Reciprocity Agreement can be found on pages ____ to ____ of the official minutes.

BOR POLICY 4:18 - RETIREMENT

Ms. Barbara Basel explained that this policy change is merely a policy update to correspond with current state statute. She said the Board of Regents is no longer authorized to implement an incentive early retirement program per the South Dakota Legislature Chapter §13-14.4 through §13-14.10 determined in 2007.

It was clarified that this is not for employees under contractual agreements.

In response to a question, Ms. Basel explained that there have not been violations to this law. This change merely aligns wording in policy with current statute.

IT WAS MOVED by Regent Schieffer, seconded by Regent Sutton to approve revisions to BOR Policy 4:18. All members voting AYE. The MOTION CARRIED.

A copy of BOR Policy 4:18 – Retirement can be found on pages ____ to ____ of the official minutes.

NEW PERFORMANCE EVALUATION PROCESS FOR CSA

Ms. Basel summarized two initiatives related to Governor Dugaard's new compensation structure for state employees. This new compensation structure reflects his intent to add a pay for performance component to the annual salary program.

She explained that these initiatives will result in substantial changes for the CSA employees who are employed by the Board of Regents. She noted that the changes to the salary structure will be effective beginning in FY16.

In order to fully implement the performance component of the Governor's proposal by FY18, all CSA employees will need to transition to Accountability & Competency Evaluation System (ACES) documents. In order to accomplish this, the human resources staff from each campus must work with the vice presidents, administrative and academic deans, supervisors and employees to develop an ACES guide and performance appraisal form for each CSA employee under their direction. Ms. Basel explained that she will lead this initiative and will work with each campus's human resources staff to develop the documents for ACES. This effort necessitates high level support at each campus. Developing the ACES documents will require participation from all CSA employees and their supervisors. To ensure greater cooperation, Human Resources will coordinate additional communications and timelines with their Presidents, Executive Councils, and Superintendent Kaiser.

The tasks needed to meet State's transition to ACES call for an aggressive timeline on the part of each campus. Supervisors and employees must be informed of the pending changes, as well as the performance guides and appraisal forms as soon as possible. BOR HR has arranged for a train-the-trainer program for HR directors in April 2015. Shortly after that training session, the

HR directors and their staff will need to begin engaging employees and supervisors to validate the new performance documents.

Ideally, all the ACES guides and appraisals should be completed by September 2015. Training on the new performance system will begin as early as June for supervisors. The Board of Regents will transition to the ACES performance management system for its CSA employees by January 2016.

Regent Johnson asked for the number of CSA employees in the system. Ms. Basel explained that the SDBOR employs roughly 2,000 CSA employees.

A copy of the New Performance Evaluation Process for CSA can be found on pages ____ to ____ of the official minutes.

UC-RC STRUCTURE CHANGE

Dr. Turman said that despite the shared responsibility for the University Center – Rapid City, Black Hills State University has continuously delivered roughly 90% of the courses since the Board began to aggressively target off-campus delivery more than a decade ago.

Considering this, he introduced a proposal to rebrand the University Center – Rapid City as Black Hills State University – Rapid City which would result in BHSU assuming the primary fiscal responsibility and administration of the facility. The collaboration between the other five Regental institutions would continue under the new framework which strives to further encourage expansion of institutional degree programs at the facility.

Regent Jewett provided comment, saying that he feels that the nature of all university centers should be addressed synonymously. He asked that this proposal be deferred for a rounded conversation, rather than addressing these as fragments.

IT WAS MOVED by Regent Jewett, seconded by Regent Baloun to defer #23 UC-RC Structure Change to the next meeting.

Regent Schieffer agreed that more information is needed. However, he believes that there is a need for change with the university centers and it might be worthwhile to use this change as a pilot for other centers.

Dr. Warner explained that this topic was discussed at the March 17 COPS meeting and the presidents felt that this was worth trying.

Regent Sutton said that there is no doubt that larger strategic conversations need to be had regarding the university centers; however, by waiting on this action could be detrimental to enrollment for the fall semester. Therefore, he offered a substitute motion.

IT WAS MOVED by Regent Sutton, seconded by Regent Schieffer to approve the rebranding of the University Center – Rapid City as Black Hills State University – Rapid City and grant the center's administrative/financial authority to BHSU.

In response to a question, Dr. Warner said that the tuition rate at the university centers is self-support and will remain that way.

Regent Baloun said that he feels we need to be more deliberate with the changes.

Regent President Krogman said there are many unanswered questions and feels it is legitimate to ask for a financial proforma.

Regent Johnson said that the item outlines a need for 14 additional students to cover the shift of overhead cost of administration, therefore, additional financial analysis is not needed from her perspective. She said the critical nature of marketing has changed over the last few years. She said competitors in the Rapid City area have enhanced their marketing strategies. She thinks that we need to be get ahead of this and feels the proposal allows us to be nimble and respond.

Regent Schieffer echoed Regent Johnson's sentiments and asked BHSU President Jackson to explain the impact of delaying this action.

President Jackson said the University Center – Rapid City is in a very competitive market. The substitute motion proposed allows the center the flexibility to compete with other universities.

Regent Schaefer asked about the results expected, inquiring into whether or not an April launch would truly have an effect on fall enrollments.

President Jackson said he believes that an additional 14 students and more will not be difficult to achieve by fall. He believes that area competitors are feeling anxious about the proposed increased presence of BHSU in the Rapid City market.

In response to Regent Schartz, President Jackson said that press releases and announcements are prepared to go out as soon as this would pass.

Regent Baloun noted that the marketing costs have not been factored into financial analysis and would like more before he would be comfortable voting for this proposal.

In response to a question by Regent Bastian, Dr. Warner explained the process by which this proposal was brought forward and the questions and redraft of the proposal that was undergone before it was offered to the Board.

Roll call vote to approve the substitute motion provided by Regent Sutton to due pass.

KROGMAN – AYE
SCHAEFER – NAY
SUTTON – AYE
BALOUN – NAY
BASTIAN – AYE
JEWETT – NAY
JOHNSON – AYE
SCHARTZ – AYE
SCHIEFFER – AYE

Six members voting AYE. Three members voting NAY. The MOTION CARRIED.

A copy of UC-RC Structure can be found on pages _____ to _____ of the official minutes.

CUC MEMORANDUM OF UNDERSTANDING

Dr. Warner explained that representatives from the Board of Regents, South Dakota State University, and the Capital University Center Foundation Advisory Board have been meeting to frame a Memorandum of Understanding to guide the governance and operations of the CUC for a three year period commencing July 1, 2014 through June 30, 2017.

The five member governance committee that is specified in the Memorandum of Understanding has approved this structure subject to the approval of the Board of Regents.

Regent President Krogman noted that we need to change Dr. Warner's name on the memorandum considering his upcoming retirement. It was confirmed that rather than a name will be changed to the title of Executive Director of the Board of Regents.

Regent Johnson asked for clarification about the current funding of the university centers. Dr. Warner explained that universities do contribute to the bottom line in varying degrees.

Dr. Warner made further comment in regard to the question of whether or not renaming the other university centers would be beneficial. He said that this has been a discussion. However, regarding CUC, Pierre is such a small market and one that doesn't turn over often, that this strategy is less promising there.

IT WAS MOVED by Regent Jewett, seconded by Regent Baloun to approve the Memorandum of Understanding among the Board of Regents, South Dakota State University, and the Capital University Center Foundation Advisory Board. All members voting AYE. The MOTION CARRIED.

Regent Sutton asked that a topic regarding strategy for future University Center models be addressed at the August retreat.

A copy of CUC Memorandum of Understanding can be found on pages ____to____ of the official minutes.

MINIMUM WAGE IMPACT

Ms. Hluchy explained that the new minimum wage took effect in January moving from \$7.25 to \$8.50 an hour. The Board requested a follow-up at the April Board Meeting of how the campuses were dealing with the impact of this change. To this, Ms. Hluchy gave a brief summary of how the campuses have reported initially dealing with this fiscal impact. All campuses report decreasing student employment hours or work study hours to some degree.

Dr. Warner said this is a good news and bad news scenario for students. He noted that the budget amount for student employment has not changed so hours have to be cut back. However, students are working less for more money.

A copy of Minimum Wage Impact found on pages _____ to _____ of the official minutes.

AUDIT OF THE HOUSING AND AUXILIARY FACILITIES SYSTEM

Ms. Shelly Anderson, system internal auditor, explained that because an independent audit of the Housing and Auxiliary Facilities System is required by bond counsel, the BOR obtained the Department of Legislative Audit (DLA) to provide an Agreed Upon Procedures audit of the system. The BOR compliance officer and internal auditor received from the universities the financial statements and combined and audited the statements and prepared the footnotes. They provided the financial statements and working papers to DLA to perform certain tests that were outlined in the Agreed Upon Procedures document. These procedures were developed based on the requirements noted in the bond documents.

She explained that for the FY14 Audit of the Housing and Auxiliary Facilities System, DLA found no exceptions to the Agreed Upon Procedures audit.

The Housing and Auxiliary Facilities System had a debt service coverage ratio of 141%. The required coverage per the bond covenants is 120%. Each individual institution's ratio is as follows: BHSU 179%, DSU 154%, NSU 144%, SDSMT 152%, SDSU 123% and USD 158%.

In response to a question by Regent Baloun, Dr. Kramer said they do a four year projection of coverage ratio for bonds, which provides a perspective on the state of things. He said SDSU has many new facilities and this affects the system's outlook because each institution in the system is combined into a system package. The trend analysis shows a slight increase in four years' time.

Regent Schieffer said that in the future he'd like to see the future estimates for each individual campus in addition to the system outlook.

A copy of Audit of the Housing and Auxiliary Facilities System can be found on pages _____ to _____ of the official minutes.

CHILDREN OF ALUMNI PROPOSAL

Dr. Kramer explained that the Council of Presidents is requesting approval of a Child of Alum (COA) program. Participation in the program is limited to incoming freshmen or transfer students attending the same university from which one of their parents or legal guardian received a degree. The new students would be eligible for in-state tuition and fees.

He explained that the idea of giving resident tuition to undergraduate COA students attending the same school from which their parent or guardian graduated was first introduced to COPS in March 2014. The number of eligible students currently in the system for such a program has been estimated at 256 students, requiring an additional 53 students system-wide to break even. The Council has agreed that having such a program would provide incentives for alumni that

have moved out of state to send their children back to South Dakota to attend school. Donors often ask if such a program exists and having one would create goodwill with alumni and donors.

IT WAS MOVED by Regent Baloun, seconded by Regent Johnson to approve resident tuition for undergraduate Children of Alumni first-time freshmen or new transfers that attend the same university where their parent or legal guardian received a degree, effective summer 2015 and to approve the initial eligibility and renewal criteria requested by each university.

Regent Jewett voiced concern about this proposal. He explained that he didn't understand why the child of alum needs to go to the same school that his/her parents or legal guardians attended. He had questions about the residency policy.

Dr. Kramer said that the Board has the authority in statute to qualify a subset of students with residency tuition rate status.

He further explained that the presidents were comfortable doing this considering the numbers are not significant.

Regent Schieffer said that considering the history of the program, he asked if there would be urgency in passing this today or if it would make sense to let it simmer. Dr. Kramer said there is likely no urgency.

Regent Schaefer noted that this item is not one that would require the same amount of proforma information necessary as compared to the previous item regarding the University Center – Rapid City.

To a question regarding discrimination within a class, Dr. Shekleton confirmed that there was no concern of discrimination albeit the different sets of criteria per institution to qualify a student for this scholarship.

All members voting AYE. The MOTION CARRIED.

A copy of Children of Alumni Proposal can be found on pages ____to____ of the official minutes.

OPERATION OF UNMANNED AERIAL SYSTEMS

Dr. Shekleton explained that drones or Unmanned Aerial Systems (UAS) number among recent technological innovations that have significant potential to revolutionize the operations of government and business. This technology may support ranges of functions that might otherwise be accomplished with greater difficulty, cost and intrusiveness. Roof inspection, crop development, grazing patterns, traffic conditions, search and rescue, road repair needs, archeological research, monitoring cross-country practice, to some extent, imagination is the limit on the scope of possible uses to support university operations and programs or similar functions for other state agencies or private entities.

Private use of UAS, either in the form of personally owned and operated hobby devices, or in the form of entity owned and operated devices, also presents concerns for universities. As the technology has become more commonly used, incidents of misuse have also grown. During the 2014 fall football season, for example, a number of incidents arose where drones overflowed crowded football stadia.

UASs operated by public or private entities and individuals are subject to regulation by the Federal Aviation Authority. Although the FAA generally exempts individually owned and operated hobby or recreational craft, the FAA is developing more robust regulations for entity uses of these aircraft. Draft regulations were issued on February 23, 2015, but the rulemaking process may not yield final rules until 2017.

In the meantime, public or private entities that seek to operate UAS must apply for exemption from standard general aviation rules under existing rules that permit governmental use of the technology to carry out core governmental functions (e.g., functions that do not involve fee for service) and that permit a broader variety of commercial (i.e., not core governmental functions) uses of the technology where it can be shown that the uses can be conducted safely and will not interfere with general or commercial aviation.

The South Dakota School of Mines & Technology has supported active research programs involving UAS for many years. South Dakota State University and the University of South Dakota are actively exploring research and administrative uses of the technology. Early contacts with FAA and other state agencies suggested the necessity to coordinate approaches to assuring that institutions would have access to support to identify and to comply with FAA exemption requirements.

In cooperation with the South Dakota Bureau of Administration Office of Risk Management, arrangements have been made with May, Adams, Gerdes and Thompson, LLP, to obtain legal assistance in completing FAA applications for exemptions and addressing compliance priorities and arrangements have been made to obtain insurance coverage for UAS operations.

He referenced the proposed policy that represents a third element in preparing for the introduction of UAS into the institutional research and operating environment. The policy addresses two ranges of concern, administrative requirements for the institutional use of UAS and regulations for the private use of UAS over institutional grounds. The administrative policies have five essential requirements that must be met before an institution may begin to use a UAS. Each institution that intends to use UAS will (1) establish an office to oversee its UAS program, (2) obtain an FAA exemption, (3) obtain insurance coverage, (4) train UAS operators (some of whom may have to be licensed pilots), and (5) prepare manuals, operating procedures, maintenance schedules, logs and other records and records management systems required to comply with FAA regulations.

Regulations for private use establish time, place and manner restrictions to protect the ordinary and beneficial uses of institutional grounds and facilities. These rules rely upon *United States v. Causby*, 328 U. S. 256 (1946) (the glide path brought heaving bombers less than seventy feet above a farm house and barn), which concluded that, notwithstanding plenary federal jurisdiction over navigable airspace, very low flights could interfere with possessory interests.

The rules require prior authorization to overfly institutional premises, limit flight to daylight hours and require that the UAS remain within sight of the operator. They prohibit the use of UAS during outdoor events or within a quarter mile of athletic facilities. UAS may not be flown within one hundred yards of buildings or fifty yards of people or animals, and they may not be flown in a manner that interferes with ground vehicles or traffic.

IT WAS MOVED by Regent Schaefer, seconded by Regent Schartz to approve attached Board Policy No. 1:30. All members voting AYE. The MOTION CARRIED.

A copy of Operation of Unmanned Aerial Systems found on pages ____to____ of the official minutes.

TEACHER EDUCATION REPORT 2014

Dr. Daniel Palmer, system director of institutional research, explained that this report provides a data-driven snapshot of the five teacher education programs in the public university system (i.e., BHSU, DSU, NSU, SDSU, and USD).

He said the current analysis compiles a range of candidate, graduate, and labor force data in an effort to size up the performance of the public university system's teacher education programs.

Regent Jewett asked how the data were gathered. Dr. Palmer said that the data comes from the Department of Labor. Regent Jewett said it might be helpful to have state demand of teachers and measure that against the system output.

A copy of Teacher Education Report 2014 can be found on pages ____to____ of the official minutes.

CREDIT HOURS TO DEGREE

Dr. Palmer explained this report examines recent data with respect to credit hour completions by Regental graduates, and tracks changes in this metric following SDBOR's adoption of new credit hour requirements for undergraduate degree programs.

In summary, the report shows that there has been slightly fewer total credit hours completed since the requirement change.

Regent Schieffer said the results seem counterintuitive. Dr. Palmer agreed but could not offer a guess as to the results. He noted that two years of data provides a limited picture but possibly after a few more years we might see a clearer trend in one direction or the other.

A copy of Credit Hours to Degree can be found on pages ____to____ of the official minutes.

NEW SDBOR DASHBOARDS

Dr. Palmer provided a brief demonstration of the two new interactive dashboards recently posted to the SDBOR dashboard site: SDBOR Occupational Wages Dashboard and SDBOR Labor

Force Dashboard. Both dashboards are based on federal economic datasets and are not specific to the South Dakota university system in any way. They are meant to provide basic reference information about South Dakota's labor force.

A copy of New SDBOR Dashboards can be found on pages ____ to ____ of the official minutes.

COLLEGE APPLICATION CAMPAIGN

Dr. Turman explained that in February 2014, representatives from the American College Application Campaign inquired with Board of Regents staff regarding South Dakota's interest in participating in the program with other states around the country. Starting as an initiative affiliated with the GEAR UP program in North Carolina high schools in 2005, the program was designed as a one-day event intended to provide students with assistance in submitting college admission applications. Following successful implementation in North Carolina and seven other states the American Council on Education (ACE), State Higher Education Executive Officers (SHEEO) and the Council on State School Officers (CCSSO) joined together in 2010 in an effort to establish a national presence for the initiative. The following year funds from the Lumina, Bill & Melinda Gates, and Kresge Foundations were used to leverage additional support resulting in ten states in 2011, twenty-four states in 2012, and thirty-five in 2013. Through a concerted push by SHEEO, all remaining states agreed to pilot programs in 2014.

Through the ACAC organizations, states are provided with technical assistance in planning campaign activities with local school districts. ACAC recommends that a state steering committee be assembled to coordinate efforts locally, and during the first year of the program the GEAR Up/College Access Challenge Grant Advisor Council was used to serve this role when making program decisions. One of the major issues identified during early discussions was the need to waive the application fee for low-income or underrepresented students at districts willing to partner in the pilot program. Representatives from SAC and BAC were consulted about issues associated with allowing a waiver for students at the targeted districts during the designated ACAC activity, and council representatives supported waivers for students enrolling in up to three Regental institutions. From the list of CACG partner school districts, nine schools were targeted to participate and, when comparing the percentage of graduates from the most recent set of graduation placements, the percentage of students not enrolling in postsecondary within 18 months of graduation ranged from 28% to 93% (see Table 1). One of the goals for the program will be to assess student matriculation to postsecondary institutions in South Dakota. The week of November 11-15, 2014 was selected for districts to participate in the program, and CACG staff worked with institutional volunteers to coordinate specific dates/times at each of the participating districts.

Regent Johnson asked if there was cost to participate in this program. Dr. Turman explained that the only cost was the application fee waivers that the institutions provided students during that designated week.

A copy of College Application Campaign can be found on pages ____ to ____ of the official minutes.

SYSTEM PLACEMENT GUIDELINES

Dr. Turman explained that at the conclusion of the 2013-14 academic year, South Dakota and states involved with the development of the Smarter Balanced assessments took part in field testing for the examination. Overall, the field testing was successful with very few issues impacting testing at any of the grade levels. Using data from the field testing that occurred around the country, a series of in-Person and online panels were coordinated to facilitate a process for establishing the achievement level setting that would be necessary for those states planning to use the assessments in English Language Arts and Mathematics. The in-person panel was scheduled for October 13-19, 2014, with the first three days of this panel devoted to establishing Achievement Level recommendations for Grade 11. Campus nominations were submitted to Smarter Balanced and two system representatives were selected by Smarter Balanced to participate including Jennifer Lacher-Starace (English faculty at SDSU), and Abid Elkhader (Mathematics faculty at NSU). Participants involved in this weeklong activity were tasked with recommending an achievement level score that demonstrates how much students should know or be able to do in order to be proficient at the grade-level standards and to be on track for eventual college and career readiness.

Once the work for the online and in-person panels concluded, state leads convened on November 6 to vote on the achievement levels. When Secretary Schopp met with other state representatives in Chicago, the vote was delayed due to concerns raised by the California delegations. To address these concerns, in the week that followed Smarter Balanced staff worked to develop a new set of recommendations.

IT WAS MOVED by Regent Sutton, seconded by Regent Schaefer to approve the revisions to the System Placement Guidelines.

In response to a question by Regent Schartz, Dr. Turman explained that by implementing these placement guidelines we are in perfect alignment with providing plans for appropriate additional coursework once the test scores become available. Although the registration for high school courses for next year has already taken place, they can provide additional remediation programming in the senior year in response to the students' scores.

All members voting AYE. The MOTION CARRIED.

A copy of System Placement Guidelines can be found on pages ____ to ____ of the official minutes.

DUAL CREDIT REDUCED TUITION PROGRAM

Dr. Turman explained that the reduced tuition High School Dual Credit Program, which was funded through the state legislature during the 2014 legislative session, has now had students complete the first semester of the program. According to South Dakota Department of Education (SDDOE), 105 public school districts, 8 private schools, 1 tribal school, and 14 homeschool students participated in the program. Statewide, 1,077 students enrolled in the HSDC program. Going forward, SDDOE has requested additional funds to pay for the current year's students since participation was far beyond what was initially expected. The Governor has also proposed

increases to the program for the next fiscal year, which would go into effect beginning in Fall 2015.

A copy of Dual Credit Reduced Tuition Program can be found on pages ____to____ of the official minutes.

DUAL CREDIT ADMINISTRATIVE GUIDELINGS

Dr. Turman explained that dual and concurrent credit offerings continue to expand in the Regental system with the advent of the High School Dual Credit (HSDC) program, and school district interest in forming relationships with institutions to offer coursework to district students. As a result of this increase, the formation of more robust guidelines is warranted to cover these two unique programs.

First, in early 2010 the Academic Affairs Council (AAC) began discussing a variety of dual credit/postsecondary enrollment offerings in line with the Board of Regents' decision to permit institutions to partner with regional high schools to offer concurrent credit. Using the model available through the Externally Supported Tuition Rate structure, institutions were granted the authority to expand their offerings since the teachers were being paid by the school district. To ensure consistency across the system and align with requirements imposed on postsecondary institutions outside the Regental system, AAC developed a set of guidelines both for admissions to and administration of these concurrent credit offerings. The admissions guidelines were developed to ensure that students who enroll are prepared to do college level work. Additionally, a set of guidelines reflecting established best practices were also developed to make sure that concurrent credit courses offered by the universities meet expected standards.

Second, during the 2014 Legislative session the Governor and the Legislature supported funding for the HSDC program which allows high school students the ability to enroll in face-to-face or online courses being delivered by faculty in the Regental system. While the Board of Regents have outlined requirements for managing this program, there are currently no administrative rules or established guidelines for ensuring consistent application across institutions. Currently, the only guidance available for managing dual/concurrent credit is South Dakota Codified Law 13-28-37 that provides a general framework for this activity. As campus personnel have worked with system office staff during the first two semesters of the HSDC program, a set of guidelines outlined in Section III. South Dakota High School Dual Credit have been developed to provide the foundation for managing this particular program.

The current set of guidelines has been reviewed by the Points of Contact assigned to work with HSDC at each institution as well as the Academic Affairs Council.

In response to a question by Regent Jewett, Dr. Turman provided clarification to the costs of the program as well as the differences between dual credit program and concurrent credits.

IT WAS MOVED by Regent Schaefer, seconded by Regent Schartz to approve the Dual Credit Administration Guidelines. All members voting AYE. The MOTION CARRIED.

A copy of Dual Credit Administrative Guidelines can be found on pages ____to____ of the official minutes.

NEW PROGRAM REQUESTS – SDSU – DIVISION OF DESIGN

Dr. Jay Perry explained that SDSU has submitted interrelated new program requests for five programs: (1) BFA in Architecture, (2) BFA in Graphic Design, (3) BFA in Interior Design, (4) BFA in Studio Art, and (5) BLA in Landscape Architecture.

The new program requests relate to SDSU's development of a "Division of Design." The vision for the Division of Design includes moving existing programs to the Bachelor of Fine Arts (BFA) or Bachelor of Landscape Architecture (BLA) degree and seeking program accreditation.

IT WAS MOVED by Regent Baloun, seconded by Regent Schartz to approve the development of the "Division of Design" and the new BFA in Architecture, BFA in Graphic Design, BFA in Interior Design, BFA in Studio Art, and BLA in Landscape Architecture programs at SDSU. All members voting AYE. The MOTION CARRIED.

A copy of the New Program Request – SDSU – Division of Design can be found on pages _____ to _____ of the official minutes.

NEW PROGRAM REQUESTS – SDSU – MINOR IN MEAT SCIENCE

Dr. Perry explained that SDSU requests authorization to offer a baccalaureate minor in Meat Science. The minor will allow greater emphasis in the food animal industry and provide education on consumer issues from production to consumption of meat products. In addition, the minor will benefit students pursuing careers in other aspects of animal production. SDSU views the Meat Science minor as a critical content area for South Dakota's strong agricultural focus.

The US Department of Labor estimates 9% job growth through 2022 of agricultural and food scientists. SDSU estimates graduating 8 students per year with the Meat Science minor after full implementation.

The proposed curriculum does not require the addition of any new courses. The minor will consist of 18 credit hours. SDSU is not requesting new resources for the proposed minor.

IT WAS MOVED by Regent Johnson, seconded by Regent Sutton to approve SDSU's new program proposal for a Minor in Meat Science as described in Attachment I. All members voting AYE. The MOTION CARRIED.

A copy of the New Program Request – SDSU – Minor can be found on pages _____ to _____ of the official minutes.

NEW PROGRAM REQUESTS – USD MINOR IN PUBLIC HEALTH

Dr. Perry explained that USD requests authorization to offer a baccalaureate minor in Public Health through the School of Health Sciences, Department of Health Sciences. The minor will provide opportunities for students across disciplines to study public health concepts, as well as preparing students for careers as local, national, and international public health professionals.

According to the US Department of Labor's Bureau of Labor Statistics, employment opportunities through 2022 for health services managers will grow by 23% while opportunities for health educators and community health workers will grow by 21%.

The minor consists of 18 credit hours and requires the creation of one new course. USD estimates graduating 25 students per year with the minor after full implementation.

USD requests authorization to provide the minor to distance students via online delivery.

IT WAS MOVED by Regent Schartz, seconded by Regent Schieffer to approve USD's new program proposal for a Minor in Public Health as described in Attachment I. All members voting AYE. The MOTION CARRIED.

A copy of the New Program Request – USD Minor in Public Health can be found on pages ____ to ____ of the official minutes.

THURSDAY, APRIL 2, 2015

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

Regent President Krogman explained that at the committee meeting on business and financial affairs, the committee decided to defer the resolution of recognition for R.Lee Ginsbach to be read in the full board meeting today.

IT WAS MOVED by Regent Schaefer, SECONDED by Regent Sutton to amend the agenda for the purposes of recognizing R.Lee Ginsbach. All members voting AYE. The MOTION CARRIED.

RESOLUTION TO RECOGNIZE R.LEE GINSBACH

Superintended Marjorie Kaiser read the resolution of recognition.

WHEREAS, R.Lee Ginsbach will retire from the South Dakota School for the Blind and Visually Impaired and the South Dakota School for the Deaf on March 21, 2015 after forty years of service to the Regental system; and

WHEREAS, Mr. Ginsbach served as Chief Fiscal Officer for the SD Board of Regents, Chief Accountant and Assistant Business Manager at Northern State University, and Business Manager for the SD School for the Blind and Visually Impaired and the SD School for the Deaf; and

WHEREAS, Mr. Ginsbach has implemented state and regental budget and finance system changes, maintained the special schools systems, and achieved clean audits for the schools; and

WHEREAS, Mr. Ginsbach has provided outstanding leadership and mentoring at the SDSBVI and SDSD through his deep sense of commitment to making a difference in the lives of students

and staff, by working with enthusiasm and creativity, and always having a good sense of humor and cheerfulness in his voice; and

WHEREAS, Mr. Ginsbach has been responsible for the supervision of the facilities, food service, technology, and HR as well as business office functions and taken on additional responsibilities as Risk Manager; and

WHEREAS, Mr. Ginsbach has been an integral part of the SDSBVI and SDSD Council on Internal Affairs, Crisis Management Team, and School Improvement Plan; and

WHEREAS, Mr. Ginsbach has demonstrated a willingness to be involved in the educational programs for the special schools by learning about assistive technology, supporting its acquisition, and encouraging learning opportunities for staff; and

WHEREAS, Mr. Ginsbach was a vital member of the Business Affairs Council providing history and guidance on financial and operating issues for the universities and special schools.

THEREFORE, BE IT RESOLVED THAT, it is the desire of the Board of Regents to applaud and recognize R.Lee Ginsbach for his dedication, service, and contributions to the students, staff, and parents at the SDSBVI for the past thirty-two years, and also at the SDSD for the last five of those years. It is ordered that this resolution be spread on the minutes of this Board and that a copy be forward to Mr. Ginsbach.

A copy of the Resolution of Recognition for R.Lee Ginsbach can be found of page ____ of the official minutes.

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 WICHE Passport Update

The Committee received an update regarding the Western Interstate Commission for Higher Education (WICHE) Passport Initiative which is a new learning-outcomes-based framework for

transfer that is envisioned to improve students success (graduation, time to degree, increased affordability), through the elimination of unnecessary repetition of academic work after students transfer. Information only. A copy of the WICHE Passport Update can be found on pages _____to_____ of the official minutes.

I-C General Education Steering Committee Update

The Committee received the General Education Steering Committee Update which provided a summary of the ongoing activities of the coordinating/steering committee which is comprised of faculty and campus leadership. The steering committee was charged with evaluating the landscape of current national initiatives that were outlined in the August Board of Regents item and identify one that could serve to provide a viable roadmap for facilitating significant change for the system's approach to general education. A timeline of major events involving this process was outlined in Attachment I of the item. Information only. A copy of the General Education Steering Committee Update can be found on pages _____to_____ of the official minutes.

I-D Multi-State Collaborative on Military Credit (MCMC) Update

The Committee received an update regarding the national initiative Multi-State Collaborative on Military Credit (MCMC) which is a program supported by the Midwestern Higher Education Compact (MHEC) with funding provided by the Lumina Foundation. The MCMC is a group of state agencies, university systems, college campuses, and other organizations seeking to improve the timely completion of postsecondary credentials by military service members, veterans, and their families through addressing barriers to access, participation, and completion. To accomplish this goal, MCMC participating states will review and advance effective policy and practice within and among institutions, states, federal agencies, and key not-for-profit organizations. Information only. A copy of the Multi-State Collaborative on Military Credit (MCMC) Update can be found on pages _____to_____ of the official minutes.

I-E Licensure Certification Report

The Committee received program the annual Licensure and Certification Report. The examinations included in this report are those that must be passed before a person may be fully licensed or certified to engage in the occupation or profession. Optional examinations are not included. Information only. A copy of the Licensure Certification Report can be found on pages _____to_____ of the official minutes.

I-F South Dakota SARA Update

The Committee was provided with an update regarding the institutional participation in WICHE SARA. Since becoming a member state in SARA, the Board office, as the designated portal agency for South Dakota, has prepared application materials and developed other documents required by NC-SARA. A current list of South Dakota institutions currently participating in SARA, or who have applied to SARA and are awaiting approval are listed in Table 1. Information only. A copy of the South Dakota SARA Update can be found on pages _____to_____ of the official minutes.

CONSENT ITEMS

II-A Student Organization Award Winners for 2014

The Committee received the recommendations from each institution for their own organizational recipient in the categories of Academic Excellence, Community Service, and Organizational Leadership.

Regent Schieffer moved to accept the recommendations offered by each institution and announced the names of the award winners. Regent Bastian seconded the motion and the motion passed. A copy of the Student Organization Award Winners for 2014 can be found on pages ____ to ____ of the official minutes.

II-B Resolutions of Recognition

It was moved by Regent Schieffer and seconded by Regent Bastian to approve the proposed request to recognize Carrie Ahern (DSU), Dr. Donna Hazelwood (DSU), Dr. Rick Puetz (DSU), David Vickmark (DSU), Tom Godfrey (NSU), and Ross Norman (NSU) for their years of dedicated service to the public higher education system of South Dakota. Motion passed. A copy of the Resolutions of Recognition can be found on pages ____ to ____ of the official minutes.

II-C (1) Program Modifications – BHSU

Regent Schieffer moved to approve BHSU's program modification requests for its B.S. in Speech / Speech Communication program. Regent Bastian seconded the motion and the motion passed. A copy of the Program Modifications can be found on pages ____ to ____ of the official minutes.

II-C (2) Program Modifications – NSU

Regent Schieffer moved to approve NSU's program modifications requests for its B.S. in Chemistry – Forensic Science Specialization; and History Minor. Regent Bastian seconded the motion and the motion passed. A copy of the Program Modifications – NSU can be found on pages ____ to ____ of the official minutes.

II-C (3) Program Modifications – SDSM&T

Regent Schieffer moved to approve SDSM&T's program modification requests for its M.S. in Chemical Engineering; M.S. in Computational Sciences and Robotics; and M.S. in Mechanical Engineering programs. Regent Bastian seconded the motion and the motion passed. A copy of the Program Modifications – SDSM&T can be found on pages ____ to ____ of the official minutes.

II-C (4) Program Modifications – SDSU

Regent Schieffer moved to approve SDSU's program modifications requests for its Architecture (M.Arch.); Biology (B.S.) – Secondary Education Specialization; Counseling and Human Resource Development (M.S.) – Marriage and Family Counseling Specialization; Dietetics

(B.S.); Ecology and Environmental Science (B.S.); Electronics Technology (B.S.); Interior Design Minor; Leadership Minor; Mathematics (B.S.) and Teaching Specialization; Mechanical Engineering (B.S.); Medical Laboratory Science (B.S.) and Upward Mobility Program; Nursing (M.S.) – Clinical Nursing Leadership Specialization – CNL Emphasis; Nutrition and Food Science (B.S.); Physical Education Teacher Education (PETE) (B.S.); Post Master Clinical Nurse Leadership Certificate; Secondary Education; Sociology (M.S.) – Community Development Specialization; Sociology (Ph.D.); and Wildlife and Fisheries Sciences (B.S.) programs. Regent Bastian seconded the motion and the motion passed. A copy of the Program Modifications - SDSU can be found on pages ____to____ of the official minutes.

II-C (5) Program Modifications – USD

Regent Schieffer moved to approve USD’s program modification requests for its B.S. in Computer Science; M.A. in Elementary Education and M.A. Secondary Education; M.A. in History; and RN-BSN in Nursing programs. Regent Bastian seconded the motion and the motion passed. A copy of the Program Modification - USD can be found on pages ____to____ of the official minutes.

II-D (1) New Certificate Request: NSU Allied Health

Regent Schieffer moved to approve NSU’s new certificate request for an Allied Health Certificate. Regent Bastian seconded the motion and the motion passed. A copy of the New Certificate Request: NSU Allied Health can be found on pages ____to____ of the official minutes.

II-D (2) New Certificate Request: NSU Organismal Biology

Regent Schieffer moved to approve NSU’s new certificate request for an Organismal Biology Certificate. Regent Bastian seconded the motion and the motion passed. A copy of the New Certificate Request: NSU Organismal Biology can be found on pages ____to____ of the official minutes.

II-D (3) New Certificate Request: SDSU Native Communities and Economic Development

Regent Schieffer moved to approve SDSU’s new certificate request for an Native Communities and Economic Development Certificate. Regent Bastian seconded the motion and the motion passed. A copy of the New Certificate Request: SDSU Native Communities and Economic Development can be found on pages ____to____ of the official minutes.

II-E Articulation Agreements – SDSU

It was moved by Regent Schieffer and seconded by Regent Bastian to approve the proposed articulation agreements between SDSU and and Laramie County Community College; Northwest Iowa Community College; Ridgewater College; and South Central College. Motion passed. A copy of the Articulation Agreements - SDSU can be found on pages ____to____ of the official minutes.

II-F (1) Memorandum of Understanding – SDSM&T

It was moved by Regent Schieffer and seconded by Regent Bastian_ to approve the proposed memorandums of understanding between SDSM&T and T Sardar Swaran Singh National Institute of Renewable Energy; and South China University of Technology. Motion passed. A copy of the Memorandum of Understanding – SDSM&T can be found on pages ____to____ of the official minutes.

II-F (2) Memorandum of Understanding – SDSU

It was moved by Regent Schieffer and seconded by Regent Bastian to approve the proposed agreements on academic cooperation between SDSU and Bahcesehir University; Seoul National University of Science and Technology; and International Studies Abroad. Motion passed. A copy of the Memorandum of Understanding - SDSU can be found on pages ____to____ of the official minutes.

SUBSTANTIVE

III-A USD Occupational Therapy Doctorate (OTD) Consultants' Report

The Committee received the final report from the consultants reviewing USD's Occupational Therapy Doctorate program. Information only. A copy of the USD Occupational Therapy Doctorate (OTD) Consultants' Report can be found on pages ____to____ of the official minutes.

III-B (1) New Program Request: SDSU Minor in Legal Studies

Regent Baloun moved to approve USD's new program proposal for a Minor in Legal Studies as described in Attachment I. Regent Schieffer seconded the motion and the motion passed. A copy of the New Program Request: SDSU Minor in Legal Studies can be found on pages ____to____ of the official minutes.

III-B (2) New Program Request: SDSU Minor in Museum Studies

Regent Baloun moved to approve SDSU's new program proposal for a Minor in Legal Studies as described in Attachment I. Regent Schieffer seconded the motion and the motion passed. A copy of the New Program Request: SDSU Minor in Museum Studies can be found on pages ____to____ of the official minutes.

III-C (1) New Site Request: SDSU BS in Geography

Regent Schieffer moved to approve SDSU's request to offer the B.S. in Geography through online distance delivery as described in Attachment I. Regent Bastian seconded the motion and the motion passed. A copy of the New Site Request: SDSU BS in Geography can be found on pages ____to____ of the official minutes.

III-D (1) Intent to Plan: SDSU BS in Public Relations

It was moved by Regent Schieffer and seconded by Regent Bastian to authorize South Dakota State University to develop a proposal for a B.S. in Public Relations 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.
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.

A copy of the Intent to Plan: SDSU BS in Public Relations can be found on pages _____ to _____ of the official minutes.

III-D (2) Intent to Plan: SDSU BS in Natural Resources Law Enforcement

It was moved by Regent Schieffer and seconded by Regent Bastian to authorize South Dakota State University to develop a proposal for a B.S. in Natural Resources Law Enforcement 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.
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.

A copy of the Intent to Plan: SDSU BS in Natural Resources Law Enforcement can be found on pages _____ to _____ of the official minutes.

III-D (3) Intent to Plan: USD BA/BS in Sport Marketing & Media

It was moved by Regent Schieffer and seconded by Regent Bastian to authorize the University of South Dakota to develop a proposal for a B.A./B.S. in Sport Marketing & Media 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.
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.

A copy of the Intent to Plan: USD BA/BS in Sport Marketing & Media can be found on pages _____ to _____ of the official minutes.

III-E Inactive Status and Program Termination Requests – SDSU

It was moved by Regent Baloun and seconded by Regent Schieffer to approve South Dakota State University's proposals to terminate the Architectural Studies (B.S), Art Education (B.A. and B.S.), Graphic Design (B.A. and B.S.), Interior Design (B.S.), Studio Art (B.A. and B.S.), Landscape Architecture (B.S.), and Pre-Family and Consumer Sciences programs. Motion passed. A copy of the Inactive Status and Program Termination Requests - SDSU can be found on pages _____ to _____ of the official minutes.

III-F Request to Seek Accreditation – SDSU

It was moved by Regent Schieffer and seconded by Regent Bastian to South Dakota State University's requests to seek accreditation from the Accreditation Board for Engineering & Technology (ABET) – Engineering Technology Accreditation Commission (ETAC) for its Bachelor's Degree in Electronics Engineering Technology program; and the Accreditation Board for Engineering & Technology (ABET) – Applied Sciences Accreditation Commission (ASAC) for their Bachelor's Degree in Operations Management program. Motion passed. A copy of the Request to Seek Accreditation - SDSU can be found on pages _____ to _____ of the official minutes.

III-G Department Name Change – NSU

It was moved by Regent Baloun and seconded by Regent Bastian to approve Northern State University's request to rename the Intensive English Program (IEP) to the Academic English Program (AEP). Motion passed. A copy of the Department Name Change - NSU can be found on pages _____ to _____ of the official minutes.

III-H Naming Request – SDSU – School of Design

It was moved by Regent Baloun and seconded by Regent Bastian to approve South Dakota State University's request to re-name the Division of Design to the "School of Design." Motion passed. A copy of the Naming Request – SDSU – School of Design can be found on pages _____ to _____ of the official minutes.

III-I Academic Calendar – Special Schools

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

III-J System Scholarship Awards

It was moved by Regent Schieffer and seconded by Regent Bastian to accept the System Scholarship Committee's recommended recipients for the 2015-2016 Fowler, Haines, and Scarborough scholarships. Motion passed. A copy of the System Scholarship Awards can be found on pages _____ to _____ of the official minutes.

Full Report

IT WAS MOVED by Regent Johnson, seconded by Regent Schartz 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: SDSU Swing Education and Research Facility selected Sioux Falls Construction as Construction Manager at Risk; NSU Johnson Fine Arts Center Addition and Renovation was updated on the revisions to the project and accepted the projects anticipated Guaranteed Max Price of \$11,572,682; the SDSU Cow Calf Research and Education Unit approved the projects Guaranteed Max Price of \$3,838,522.66; SDSM&T Chemistry & Chemical Engineering Building remodel approved the Facility Design Plan at a total project cost of \$6,290,000; the SDSU Brown Hall Renovation approved the construction documents and total project cost estimate of \$9,739,188; the SDSU Utility Tunnel, Steam/Condensate Infrastructure Repair and Modernization approved the bid documents with a total project cost estimate of \$13,320,000; the SDSU Swine Education and Research Facility approved the project's Guaranteed Maximum Price of \$4,098,135; the SDSU Football Stadium received an update on the progress of the project. Information only. A copy of the Building Committee Report can be found on pages ____ to ____ of the official minutes.

I-D Spring 2015 Tuition Reduction Programs

The Committee received a report regarding the Spring 2015 Tuition Reduction Programs including: Persons 65 Years of Age or Older, Reserve Officer Training Corps Cadets, North Dakota Residents Attending Northern State University, Western Regional Graduate Program, Wyoming Residents Attending Black Hills State University, Child of Deceased Veteran, Dependents of National Guardsmen Disabled or Deceased in Line of Duty, Employees of the State of South Dakota, Survivors of Fire Fighters, Certified Law Enforcement Offices and Emergency Medical Technicians, Certain Elementary and Secondary Teachers and Vocational Instructors, Veteran and Others Who Performed War Service, Dependents of Prisoner of War or Missing in Action, Visually Impaired Persons, and National Guard Members. Information only. A copy of the Spring 2015 Tuition Reduction Programs can be found on pages ____ to ____ of the official minutes.

CONSENT ITEMS

II-A M&R Projects

The FY16 M&R fee will be assessed at a rate of \$2.72 per credit hour according to previous Board and legislative approval. These revenues will be used for maintenance and repair projects and for critical deferred maintenance project debt service. The estimated available M&R project funds for FY16 total \$1,605,805. Regent Krogman moved approval of the list of campus M&R projects and cost estimates, Regent Jewett seconded approval and the motion passed. A copy of the M&R Projects can be found on pages ____ to ____ of the official minutes.

SUBSTANTIVE

III-A Resolution for R.Lee Ginsbach – DEFERRED TO FULL BOARD MEETING

III-B Student Accounts Receivable

The Board was given an annual report of student receivables. The report looks at current receivables and also looks at debt that has been written off. While debt can be taken off the books, the debt remains on the students' record indefinitely. It should be noted that the receivables represent less than 1% of total student revenues for years FY11 through FY14. According to a NACUBO 2010 survey, the benchmark for bad debt collections runs at 3.5% nationally.

During the 2015 legislative session, the Legislature passed HB1228, establishing an obligation recovery center. The recovery center will be a central repository for identification, registration, oversight, and collection of debts owed to any agency or department of the State of South Dakota. After July 01, 2015, the recovery center will be another avenue for the institutions to collect any debt owed to the Board of Regents. The Regents will have the opportunity to review the operation of the center and decide if it would be more effective than the other collection agencies that we use.

A copy of the Student Accounts Receivable can be found on pages _____ to _____ of the official minutes.

III-C FY16 General Fund M&R Projects

It was moved by Regent Schaefer, seconded by Regent Schartz to approve the general fund M&R allocation and the requested projects for FY16. Motion passed. A copy of the FY16 General Fund M&R Projects can be found on pages _____ to _____ of the official minutes.

III-D Actual End-of-Term Credit Hours

Regents were provided a copy of the credit hour production report that be found on the BOR's website. A copy of the Actual End-of-Term Credit Hours can be found on pages _____ to _____ of the official minutes.

III-E 2014 Facilities Utilization Report

Regents were provided an overview of facilities utilization that gives some sense of the quantity and utilization of space. Information only. A copy of the 2014 Facilities Utilization Report can be found on pages _____ to _____ of the official minutes.

III-F DSU Housing/Student Services Space Preliminary Facility Statement

It was moved by Regent Schaefer, seconded by Regent Krogman to approve DSU's Preliminary Facility Statement to plan for renovations for its Housing and Student Support Services. This will allow DSU to hire an A/E firm to assist in developing more specific cost estimates as well as explore all options fully. DSU needs to provide a comprehensive plan for student housing including a full market analysis, enrollment projections, coverage ratios, room rates, housing options, funding sources, and construction options. Various construction options and costs should be investigated and included as part of the program plan. If approved, the Board President will appoint a Building Committee representative to oversee the planning of this

project. Motion passed. A copy of the DSU Housing/Student Services Space Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

III-G SDSM&T Chemistry and Chemical Engineering Facility Design Plan

It was moved by Regent Krogman, seconded by Regent Schaefer to approve SDSM&T's Facility Design Plan to renovate the Chemistry-Chemical Engineering building and construct a 1,500 square foot addition at an estimated cost of \$6,559,000. Funding for this renovation project will come from \$6,040,000 in system bonds and \$519,000 in HEFF M&R funds. Motion passed. A copy of the SDSM&T Chemistry and Chemical Engineering Facility Design Plan can be found on pages ____ to ____ of the official minutes.

III-H SDSU Harding Hall Renovation & Addition Preliminary Facility Statement

It was moved by Regent Krogman, seconded by Regent Schartz to approve SDSU's Preliminary Facility Statement to plan for renovations and upgrades to Harding Hall. This will allow SDSU to develop its Facility Program Plan and outline more specific plan details, cost estimates and funding sources. If approved, the Board President will appoint a Building Committee representative to oversee the planning of this project. Motion passed. A copy of the SDSU Harding Hall Renovation & Addition Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

III-I SDSU McFadden Northern Plains Biostress Preliminary Facility Statement

It was moved by Regent Jewett, seconded by Regent Schartz to approve SDSU's Preliminary Facility Statement to complete HVAC repairs to the McFadden Northern Plains Biostress Laboratory at an estimated project cost of \$1,581,398. The five phase project will require the selection of a design consultant. If approved, the Board president will appoint a building committee representative to assist in the selection of the design consultant. After that has been completed, OSE has agreed to exempt the project from the remainder of the capital improvement process. Funding for the project will come from FY15 and FY16 HEFF M&R project funds. Motion passed. A copy of the SDSU McFadden Northern Plains Biostress Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

III-J SDSU Student Wellness Center Addition Preliminary Facility Statement

It was moved by Regent Schartz, seconded by Regent Jewett to approve SDSU's Preliminary Facility Statement to plan for an addition to the Wellness Center. This will allow SDSU to develop its Facility Program Plan and outline more specific plan details, cost estimates and funding sources. Project approval is contingent on proposed FY16 GAF increase of \$4.50 per credit hour being approved by the Board. The project includes private fundraising and cannot move forward until the funds are in hand. The final project will have to be sized based on the \$4.50 per credit hour fee and private fundraising. If approved, the Board President will appoint a Building Committee representative to oversee the planning of this project. Motion passed. A copy of the SDSU Student Wellness Center Addition Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

III-K SDSU Wecota Annex Renovations Facility Program Plan

It was moved by Regent Schaefer, seconded by Regent Krogman to approve SDSU's Facility Program Plan. This will allow SDSU to continue planning, design and construction for Wecota Annex renovations at a projected cost of \$4,837,206. Approval at this point is for Phase I only with funding from multiple years of general funds M&R allocations totaling \$2,785,000. The project phases should not be moved to construction until the M&R funding is available. Phase two will need separate approval and will utilize donations from the SDSU Foundation of \$2,052,206. The project is under the guidance of a building committee and Regent Schaefer is the representative. Motion passed. A copy of the SDSU Wecota Annex Renovations Facility Program Plan can be found on pages ____ to ____ of the official minutes.

III-L SDSU Request to Sell Property

It was moved by Regent Jewett, seconded by Regent Schartz to authorize South Dakota State University to complete sale of property, described as: Lots Four (4) and Five (5) of Eberlein's Addition to the City of Brookings, County of Brookings, State of South Dakota., to the City of Brookings at the appraised value of eight thousand nine hundred dollars (\$8,900.00), and deposit proceeds from the sale minus one thousand two hundred and fifty dollars (\$1,250.00) for South Dakota State University's share of the cost of appraisal in the school and public lands trust, pursuant to SDCL 5-10, all as authorized in Senate Bill 28, enacted by the South Dakota Legislation with an emergency clause and signed into law by the Governor on February Request to Sell Property can be found on pages ____ to ____ of the official minutes.

III-M SDSU Greek Village Lease

It was moved by Regent Krogman, seconded by Regent Schaefer to:

- (1) approve the attached Third Amendment to the June 25, 2010 Master Ground Lease between the Board and South Dakota State College Development Association and authorization for SDSU to prepare and enter into contracts to improve state lands with streets and utilities for the purpose of expanding Greek Village. Motion passed.
- (2) adopt of the attached resolution requesting the Commissioner of School and Public Lands to proceed with the Plat of LOTS 1A, 3, 4 AND 5, BLOCK 1, UNIVERSITY FIRST ADDITION TO THE CITY OF BROOKINGS, BROOKINGS COUNTY, SOUTH DAKOTA and assist with necessary related record revisions.

Motion passed. A copy of the SDSU Greek Village Lease can be found on pages ____ to ____ of the official minutes.

III-N Resolution requesting the grant to the City of Spearfish a permanent easement to provide access to the municipal well house located on the campus of Black Hills State University

It was moved by Regent Krogman, seconded by Regent Schartz to adopt the proposed resolution requesting the Commissioner of School and Public Lands to draw up all necessary documents and to forward them to the Governor to request their execution in order to terminate existing easements and rights of way on over and in portions of the campus of Black Hills State

University for the use and benefit of the City of Spearfish, approving vacation of an existing plat and right of way declaring the same, and granting new easements on over and in portions of the campus of Black Hills State University for the use and benefit of the City of Spearfish, as shown SE ¼ of the NE ¼ of Section 9, T6N, R2E, B.H.M., Lawrence County, South Dakota, as stated Exhibit 1, attached thereto, and shown in Exhibit "A," attached thereto, and incorporated therein, as though fully set forth, and incorporated in the resolution. Motion passed. A copy of the Resolution requesting the grant to the City of Spearfish a permanent easement to provide access to the municipal well house located on the campus of Black Hills State University can be found on pages ____ to ____ of the official minutes.

III-O Resolution requesting the termination of existing easements over portions of the campus of Black Hills State University for the use and benefit of the Montana-Dakota Utilities Company, the grant of new easements on over and in portions of the campus of Black Hills State University for the use and benefit of the Montana-Dakota Utilities Company

It was moved by Regent Jewett, seconded by Regent Schartz to adopt the proposed resolution requesting Commissioner of School and Public Lands to draw up all necessary documents and to forward them to the Governor to request their execution in order to terminate an easement over portions of the campus of Black Hills State University for the use and benefit of the Montana-Dakota Utilities Company, and filed recorded in the Office of Register of Deeds, Lawrence County, South Dakota, on September 18, 1967, and recorded in Book 379 on page 379; and, in order to grant an easement for a gas main as shown in Exhibit A, Pages 1-6, and attached hereto, includes a portion of the following properties: the SW1/4 of the NW1/4, Section 10; the SE1/4 of the NE1/4, Section 9; Lot 1 of BHSC Addition; Tract 1 of SE1/4 of the NE1/4 of Section 9; Lot 6, of the SW1/4 of the NE1/4, Section 9; Lot 1 of Lot 6B, of the SW1/4 of the NE1/4, Section 9; Lot 2 of Lot 6B, of the SW1/4 of the NE1/4, Section 9; collectively known as the College Addition to the City of Spearfish; and all located in T6N, R2E, B.H.M., City of Spearfish, Lawrence County, South Dakota, , as stated Exhibit 1, attached thereto, and shown in Exhibit "A," pages 1 through 5, attached thereto, and incorporated therein, as though fully set forth, and incorporated in the resolution. Motion passed. A copy of the Resolution requesting the termination of existing easements over portions of the campus of Black Hills State University for the use and benefit of the Montana-Dakota Utilities Company, the grant of new easements on over and in portions of the campus of Black Hills State University for the use and benefit of the Montana-Dakota Utilities Company can be found on pages ____ to ____ of the official minutes.

III-P SDSM&T Surface Water Easement

It was moved by Regent Schaefer, seconded by Regent Krogman to adopt the proposed resolutions requesting Commissioner of School and Public Lands to draw up all necessary documents and to forward them to the Governor to request their execution in order to grant, respectively:

a temporary construction easement over portions of the campus of the South Dakota School of Mines and Technology described as those portions of Lots Sixteen (16) through Twenty-one (21) of Block Thirty-four (34), and a portion of Lots Six (6) through Eleven (11) of Block Forty-five (45), Brennan & Sweeney Addition, together with a portion of the 70' wide vacated right-of-way of East Saint Cloud Street all located in

'Government' Lot Six (6), Township One North (TIN), Range Eight East (R8E) of the Black Hills Meridian, Rapid City, Pennington County, South Dakota, as more fully described on Exhibit "A", attached thereto and incorporated therein by reference; and

a permanent drainage easement over portions of the campus of the South Dakota School of Mines and Technology described as those portions of Lots Sixteen (16) through Eighteen (18) of Block Thirty-four (34), Brennan & Sweeney Addition, together with a portion of the 70' wide vacated right-of-way of East Saint Cloud Street all located in 'Government' Lot Six (6) of Section Six (6), Township One North (TIN), Range Eight East (R8E) of the Black Hills Meridian, Rapid City, Pennington County, South Dakota, as more fully described on Exhibit "A", attached thereto and incorporated therein by reference.

Motion passed. A copy of the SDSM&T Surface Water Easement can be found on pages ____ to ____ of the official minutes.

III-Q Acceptance of Gift Request – SDSU

It was moved by Regent Krogman, seconded by Regent Jewett to:

- (1) accept the donation of a Reuter pipe organ from Johnson and Wales University in Denver, Co. for South Dakota State University for inclusion in the Performing Art Center addition and renovations, such acceptance to be effective after compliance with the requirements of Tax Equity and Fiscal Responsibility Act (TEFRA) relating to publication of notices of the transfer and its approval by the Governors of South Dakota and Colorado. The use shall be solely for educational purposes through the term of the Johnson and Wales University associated tax exempt bonds which shall be until not later than 2034.
- (2) authorize the university to assist Johnson and Wales University in completing its arrangements to secure the publication of TEFRA notices in South Dakota, as well as gubernatorial approval of the transaction.
- (3) authorize the Executive Director to subsequently review, approve, and execute a Gift Agreement in style and form approved by the General Counsel.
- (4) authorize South Dakota State University to contract for removal, transportation, storage, and install the Reuter pipe organ in the Performing Art Center addition and renovations in accordance with applicable law, policies, and procedures.

Motion passed. A copy of the Acceptance of Gift Request - SDSU can be found on pages ____ to ____ of the official minutes.

Full Report

IT WAS MOVED by Regent Sutton, 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.

FY16 TUITION & FEE OVERVIEW

Ms. Mary Ellen Garrett noted revised items provided for two items 38 - FY16 State-Support Tuition and Mandatory Fees, and 39 - FY16 Self-Support Tuition Rates. She provided context of the proposed tuition and fee increase, noting certain cost drivers that must be considered when looking at the annual cost increase.

Regent Baloun asked how confident we are about the accuracy of health insurance increase projection as well as the central office's understanding of the reserve level that is set aside for self-insurance coverage. Dr. Kramer confirmed that the state has explained that there is no health insurance increase projected for this year. However, he noted that there has been mid-year increases in the past. Ms. Hluchy explained that BFM is very confident of its judgement regarding health insurance projections and they have not tapped into their reserves from the previous year.

Regent Jewett asked about the graph presented regarding FY16 Tuition and Fees Overview regarding lifetime earnings of a bachelor's degree holder. Ms. Garrett explained that the graph uses the salary information from the US Bureau of Labor Statistics and projects it is based on years worked and assumes inflation and benefit rates. Regent Jewett noted that the Board of Regents should use this graph more often as the information is strong.

A copy of FY16 Tuition & Fee Overview can be found on pages ____ to ____ of the official minutes.

FY16 STATE-SUPPORT TUITION & MANDATORY FEES

Ms. Garrett explained the FY16 proposal for tuition and mandatory fees increases. She noted that this proposal attempts to keep the cost to students as low as possible while considering enrollment growth, service to students, and delivering the highest quality education possible to our students. The impact to students within the system will be an average cost increase of \$455.76 per year or 5.8%.

She noted that revised items for items 38 and 39 on the agenda had been provided to each regent.

Additionally, Dr. Kramer explained that Dakota State University would like to increase its GAF rate for FY16 and FY17 by \$5.75 for purposes of funding its Student Union renovation and expansion.

IT WAS MOVED by Regent Baloun, seconded by Regent Sutton to approve a GAF increase for Dakota State University by \$5.75 for FY16 and \$5.75 for FY17 for the purpose of debt servicing the Student Union project. All members voting AYE. The MOTION CARRIED.

Regent Jewett said he would like to move acceptance of items 38, 39 and 40 as written in the revised items, except he would like include a change regarding the tuition rates of BHSU, DSU, and NSU.

IT WAS MOVED by Regent Baloun, seconded by Regent Johnson to approve the following three items: Revised 38. FY16 State-Support Tuition & Mandatory Fees, Revised 39. FY16 Self-Support Tuition, and 40. FY16 System and Institutional Fees.

Regent Jewett noted that he would like to make a substitute motion that would include all of 38, 39 and 40 except to include an increase to the tuition rates being proposed for BHSU, DSU, and NSU. He explained that he would like to equalize tuition among all the institutions, effectively doing away with differential tuition rates.

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to increase the tuition rates at BHSU, DSU and NSU by \$5.70 for undergraduates and \$8.45 for graduates for the purpose of equalizing the tuition rates amongst all the six regental institutions. This would increase BHSU's FY16 mandatory tuition and fees to \$8,175 per year (an additional \$558 per year or 7.3% increase), DSU's FY16 increase to \$8,977 per year (an additional \$639 per year, or 7.7% increase), and NSU's increase to \$8,058 per year and (an additional \$495 per year or 6.5% increase). The system-wide overall average tuition and mandatory fee increase would go from 5.8% to 6.3%

Regent Jewett explained that there have been tumultuous times over the last few years with the mid-year increases in health insurance and other cost increases. He explained his belief that the differential tuition amounts among the schools has had a negative effect on the operating ability of the smaller schools. He further described his thinking and gave a descriptor of his calculations that reinforce these thoughts. He explained that this is a fairness issue and has limited the smaller schools over the last few years.

Regent President Krogman explained that he doesn't agree with the concept that differential tuition has "squeezed down" the ability of the smaller schools as referenced by Regent Jewett. He said that when we consider tuition increases, we consider the costs of doing business. He also noted that when the differential tuition was developed, it was also meant as a marketing tool for the smaller schools.

Regent Baloun said the proposal on the table does not take anything away from the PhD schools. However, the theory for differential tuition is that the PhD programs are more expensive to run, which is why we would charge more to attend those schools.

Regent Johnson noted that there is no doubt that all schools could use more money to function. However, we need to consider the market. She notes this is a very competitive market. She quotes Erin Fouberg from NSU, saying that we need to always consider the students' perspective. She notes that these are savvy students and will find the lower cost option online or otherwise. She says we need to be mindful of price and be very cautious of tuition increases.

On Regent Schaefer's prompting, Dr. Kramer explained that he can confidently say that the FY13 tuition increase for BHSU, DSU and NSU did in fact cover all the mandatory cost increases incurred by those schools. The differential money for SDSM&T, SDSU and USD that year was on top of the increase needed for those schools.

Regent Jewett provided further commentary on the way that NSU has had to operate due to the circumstances. He said the small schools have no room to maneuver. He said the increase would

not harm the individual student but collectively the small increase would mean a great deal to the institutions.

Regent President Krogman notes the political ramifications of increasing this more than our costs. Because legislators want to know our increases based on our costs, and they were working to find a way to provide money for a tuition freeze or buy down, it feels disingenuous to change now.

Regent President Krogman said this discussion should be a retreat item because it requires much more thought and strategy.

Dr. Warner strongly urged the board to resist this substitute motion. He reinforced the point about legislative relations. He said the information about the cost drivers that go into tuition increases has been carefully described to the legislators. He said these include salary policy, operating expense inflation, salary enhancement policy for the goal to make salaries nationally/internationally competitive, and student-requested increases in General Activity Fee. Since we share a goal about affordability, the legislature supports that goal and works to find ways to support it. Additionally, he notes this is not the year to make this level of increase because we've already included in the budget a 1% salary enhancement as well as three major student-approved GAF increases. He talked of price elasticity. He explained that the three institutions in question are those that enroll the most PELL eligible students in the system. He said this is a population that is very price sensitive. He also notes that South Dakota is very unusual in that there is not more price differential between the tuition and fees of master's and doctoral institutions. He believes we have raised tuition and fees enough. Everyone understands that we are third from the top in price for the region. To go beyond our actual cost drivers is a big mistake given that the legislature is well aware of our cost drivers.

Regent Schaefer said this is of material consequence and it doesn't feel right to make a hasty and fragmented change. He said we need to have a comprehensive and thoughtful pricing model going forward. He agrees this is an appropriate retreat item. He wants to have a broader discussion of how to approach tuition in the future.

Regent Jewett said we all understand the cash scenario of the institutions. He emphasized that this is a very small increase and doubts that the legislature would be angry about this increase. He said our prime job is to keep the regental institutions solid.

Regent Schieffer asked about the underlying motion. Dr. Kramer confirmed that had the Board requested money for a tuition freeze, the numbers in the underlying motion were in-line with that request with exceptions for GAF increases for student supported projects, an increase to USF to support maintenance on our ERP systems, and the SDSM&T tuition increase above the other schools. Regent Schieffer said the amount proposed to the legislature was different than what is currently being proposed, which indicates a disconnect with what the legislature was told in the first place.

Dr. Warner responded by saying that, excluding the year during which there was a 10% cut in budget by the legislature as well as some other random cuts that the system has experienced, we have always taken the position that we would fund the cost drivers that the institutions must bear in addition to the GAF projects and some additional needed fees.

Regent Schieffer asked further questions about the process and ongoing discussions with the legislature. Regent Jewett provided further clarification to the history with the tuition and fee setting process and the legislative process.

Dr. Kramer provided further clarification on the underlying motion regarding what additional monies were being included above and beyond the cost drivers that were discussed with the legislature and used to determine the tuition freeze proposal. The 2% salary policy and 1% salary enhancement and 1.55% inflation on the operating budget base was part of the freeze discussion. The motion would include \$2,001,519 of new revenue for GAF increases above inflation; \$428,085 in tuition for SDSM&T; \$704,527 for USF above inflation.

Regent Schartz identified the pros and cons of the motion on the table. He noted that considering the students' desire to increase GAF for non-essential things, we should be open to providing funds for needed items such as faculty and classrooms.

Roll call vote on the substitute motion to approve the tuition rates with an increase to the BHSU, DSU and NSU rates, effectively abolishing differential tuition.

KROGMAN – NAY
SCHAEFER – NAY
SUTTON – AYE
BALOUN – AYE
BASTIAN – NAY
JEWETT – AYE
JOHNSON – NAY
SCHARTZ – AYE
SCHIEFFER – NAY

Four members voting AYE. Five members voting NAY. The MOTION FAILED.

Reverting to the original motion proposed, in which IT WAS MOVED by Regent Baloun, seconded by Regent Johnson to approve the following three items: revised 38, revised 39 and 40. Regent President Krogman called the vote.

All members voting AYE. The MOTION CARRIED.

A copy of State-Support Tuition & Mandatory Fees can be found on pages _____ to _____ of the official minutes.

FY16 SELF-SUPPORT TUITION

Ms. Garrett explained the proposed FY16 self-support tuition rate increase. She noted it is commensurate with the system weighted cost increase for state-support tuition and USF. The increase is 3.9%

IT WAS MOVED by Regent Sutton, seconded by Regent Johnson to approve the FY16 Self-Support Tuition Schedule as provided in Attachment I. All members voting AYE. The MOTION CARRIED.

A copy of FY16 Self-Support Tuition can be found on pages ____to____ of the official minutes.

FY16 SYSTEM AND INSTITUTIONAL FEES

Ms. Garrett explained that outside of mandatory tuition and fees (Tuition, USF, GAF, and laptop fees for DSU and SDSMT), students will be assessed specific fees for services and may pay additional fees for higher cost disciplines. The services could include processing applications, testing for credit, assessment fees, course fees, and delivery fees.

She summarized the system and institutional fees increases and provided justification for any new fee or fee being increased above inflation.

IT WAS MOVED by Regent Sutton, seconded by Regent Johnson to approve the system and institutional fees as presented in Attachment I. All members voting AYE. The MOTION CARRIED.

A copy of FY16 System and Institutional Fees can be found on pages ____to____ of the official minutes.

FY16 HOUSING, FOOD SERVICE, AND VEHICLE REGISTRATION RATES

Ms. Garrett provided an overview of FY16 rate increases related to housing, food service, and vehicle registration.

IT WAS MOVED by Regent Johnson, seconded by Regent Schartz to approve the FY16 Housing, Food Service Plans rates, and Vehicle Registration rates as presented in Attachment I. All members voting AYE. The MOTION CARRIED.

A copy of FY16 Housing, Food Service, and Vehicle Registration Rates can be found on pages ____to____ of the official minutes.

FY16 SPECIAL SCHOOLS NON-RESIDENT TUITION

Ms. Garrett explained that the South Dakota School for the Blind and Visually Impaired (SDSBVI) annually reviews its instructional and residential costs to determine an appropriate tuition rate for non-resident students who may attend the school. The residential costs are based on annual food service, residential, and nursing costs for each resident student. The instructional costs are based on annual superintendent, principal, business office, instruction, library, and physical plant costs for all students. No additional staffing is required to provide instruction or residential care for the non-resident children currently enrolled at the school. South Dakota School for the Blind and Visually Impaired has three students from North Dakota for this academic year.

The South Dakota School for the Deaf (SDSD) programs through the Brandon and Harrisburg School Districts have only day students.

The current tuition rate at SDSBVI is \$34,146 for instructional costs and \$13,802 for residential care. This rate is reflective of the current costs for these areas. Therefore, it is recommended that the rate increase by inflation.

IT WAS MOVED by Regent Johnson, seconded by Regent Baloun to approve the FY16 Special Schools Non-Resident Tuition rate at \$34,675 for instructional costs and \$14,016 for residential care. All members voting AYE. The MOTION CARRIED.

A copy of FY16 Special Schools Non-Resident Tuition can be found on pages ____ to ____ of the official minutes.

FY16 GRADUATE ASSISTANT STIPENDS

Ms. Garrett explained that Board Policy 5:22(B), *Graduate Assistants and Fellows*, requires the Board to annually establish a minimum graduate assistant stipend. Additionally, she explained that the Board has traditionally increased the minimum amount of the graduate assistant stipends by the rate of increase in resident graduate tuition. The increase is rounded to the nearest dollar.

IT WAS MOVED by Regent Johnson, seconded by Regent Schartz to approve BHSU, DSU, and NSU proposed FY16 minimum graduate assistant stipends in the amount of \$3,483 per semester and \$870 per four-week session; SDSM&T proposed FY16 minimum graduate assistant stipends in the amount of \$3,711 per semester and \$927 per four-week session; and SDSU and USD proposed FY16 minimum graduate assistant stipends in the amount of \$3,628 per semester and \$906 per four-week session.. All members voting AYE. The MOTION CARRIED.

A copy of FY16 Graduate Assistant Stipends can be found on pages ____ to ____ of the official minutes.

ELECTION OF OFFICERS

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

Regent Schaefer stated his appreciation for the confidence of the board. He thanked Regent Krogman for his strong and many years of service.

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

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

RECOGNITION OF REGENT KROGMAN

Dr. Warner read the resolution of recognition prepared for Regent Krogman into the official record.

WHEREAS, Dean M. Krogman served the people of the state of South Dakota for 12 years, from April 2003 to April 2015, as a member of the South Dakota Board of Regents; and

WHEREAS, Regent Krogman served with distinction as secretary, vice president, and, most recently, as president of the South Dakota Board of Regents; and participated in the selection of 12 chief executive officers for the regents' system; and

WHEREAS, Regent Krogman served on countless building committees, carefully overseeing the investment of public and private resources in capital improvements for the betterment of the public higher education system, and;

WHEREAS, Regent Krogman exemplified steady, thoughtful leadership as the Board embarked on initiatives to promote strong academic standards, to develop innovative approaches to resource allocation and performance assessment, and to improve relationships with South Dakota policymakers; and

WHEREAS, Regent Krogman took an active and involved role to ensure that South Dakota's public resources were always invested wisely to achieve the academic, research, and service missions of the Board of Regents' system; and

WHEREAS, Regent Krogman served throughout his tenure on the Board with utmost integrity and steadfast dedication to the improvement of South Dakota's system of public higher education and its constituent institutions;

Now therefore, be it resolved that it is the desire of the Board of Regents to applaud and recognize Regent Krogman for his dedicated service, leadership, and vision; and

Be it further resolved that Regent Dean M. Krogman be thanked for his outstanding contributions and dedication to higher education and to South Dakota, and it is ordered that this Resolution be spread upon the minutes of this Board and that a copy thereof be forwarded to Regent Krogman.

IT WAS MOVED by Regent Baloun, seconded by Regent Schartz to formally adopt the resolution of recognition for Regent President Dean Krogman. All members voting AYE. The MOTION CARRIED.

A copy of the Resolution of Recognition for Regent President Dean Krogman can be found of page ___ of the official minutes.

ADJOURN

IT WAS MOVED by Regent Schieffer, seconded by Regent Bastian to adjourn the meeting of the Board of Regents on April 2 at 11:20 a.m. All members voting AYE. The MOTION CARRIED.

DRAFT