

**BOARD OF REGENTS
MINUTES OF THE MEETING
August 8-10, 2017**

The South Dakota Board of Regents met on August 8-10, 2017 at River Rock Lodge in Pierre, South Dakota with the following members present:

Bob Sutton, President
Kevin Schieffer, Vice President
John Bastian, Secretary
Conrad Adam, Regent
Jim Thares, Regent
Jim Morgan, Regent
Randy Schaefer, Regent
Pam Roberts, Regent
Joan Wink, Regent

Also present during all or part of the meeting were Mike Rush, Executive Director and CEO; Guilherme Costa, Board of Regents' General Counsel; Paul Turman, System Vice President for Academic Affairs; Nathan Lukkes, System Assistant Vice President for Research and Economic Development; Michele Anderson, System Internal Auditor; Monte Kramer, System Vice President of Finance and Administration; Molly Hall-Martin, System Director of Student Preparation & Success; Molly Weisgram; System Director of Student Affairs and Executive Assistant to the CEO/Board; Janelle Toman, System Director of Communications; Leah Ahartz, System Budget Manager; Jay Perry, System Assistant Vice President for Academic Affairs; Mary Ellen Garrett, System Accounting Director; Ben Schaap, Regents Fellow; Jammie Raske, Senior Information Technology Specialist; Barry Dunn, President SDSU; José-Marie Griffiths, President DSU; Tom Jackson Jr., President BHSU; Marjorie Kaiser, Superintendent SDSBVI/SDSD; Jan Puszynski, Interim President SDSM&T; Tim Downs, President NSU; James Abbott, President USD; Jeff Mehlhaff, LRC Analyst; Brittani Skipper, BFM Analyst; and Bob Mercer, Aberdeen American News/AP.

TUESDAY, AUGUST 8, 2017

PLANNING SESSION

Regent Bob Sutton called the meeting to order at 3:00 p.m. with the following members in attendance:

ROLL CALL:

Conrad Adam – PRESENT
John Bastian – PRESENT
Jim Morgan – PRESENT*
Pam Roberts – PRESENT
Randy Schaefer – PRESENT
Jim Thares – PRESENT
Joan Wink – PRESENT
Kevin Schieffer – PRESENT
Bob Sutton – PRESENT

*Regent Morgan arrived after the roll call vote.

Regent Sutton introduced new regent Jim Thares. Regent Thares explained that he was honored to join the group and shared his biographical information.

PLANNING SESSION

Regent Sutton welcomed the attendees to the 2017 Board of Regents retreat.

Board Operations and Priorities for 2017-2018

Dr. Mike Rush, Board of Regents' Executive Director, described the purpose of this planning session topic. He described the way in which the system works, explaining the Academic and Business Affairs Councils and how information and ideas get vetted with the many different groups involved in the regental system. He talked about the structure of the Board meeting itself and invited feedback on how the agenda is organized and the committee work is communicated. Additionally, he discussed two newly proposed committees: Audit Committee and Athletics Committee. He provided rationale for the additional Board committees and insight into how he envisions these committees will work.

Regent Sutton shared insights from the recently attended Association of Governing Boards (AGB) Leadership Institute in Washington, D.C. He said AGB personnel talked about the many things that the South Dakota Board of Regents does well. They also introduced new ideas. He explained that the Leadership Institute provided an opportunity for the SDBOR Executive Director and President to identify expectations of one another. Their time with AGB reinforced the idea that many of the issues that challenge South Dakota higher education are national issues. He said he contends that the Board could be focused on more strategic issues. He also feels the Board must be focused on addressing the lack of funds for students that exists as a result of the lack of a state needs-based scholarship. Without a needs-based scholarship, South Dakota is at a huge disadvantage. He also said the Board needs to be more thoughtful about reaching different

demographics, recognizing the Native American Reservations and the growing populations of students of color in the Sioux Falls school district. He said 40% of the graduating class in Sioux Falls will be students of color in the near future. He also recognized that South Dakota higher education builds its own facilities, which is an enigma when compared to other states. This presents additional challenges that most other state's university systems do not have to balance. Regent Sutton noted that the job of a regent is a time-consuming endeavor and includes a steep learning curve. He said a good orientation process is critical. He also questioned whether or not a regent must sit on every building committee meeting. Lastly, he recognized CEO assessments as another critical aspect of the Board's role. He explained that as the Board approaches the Executive Director evaluation, which will occur in the upcoming executive session, he solicited feedback from each regent prior to this meeting. He introduced the idea that he may solicit the perspective of presidents in the future as well.

Additionally, he noted that in the future he would like the Board to consider self-evaluations as a tool for sharpening the effectiveness of Board operations. He said the best practice of self-evaluations was a topic discussed and highly recommended at the AGB Leadership Institute.

After Regent Sutton invited feedback on Board operations generally, Regent Bastian noted that he appreciates the way in which the Board committees do their work in the presence of the whole Board. Regarding the publishing of Board materials, he wondered if some materials could be released before the official mail out date in order to provide more time to review.

Regarding the institutional items of information, the Board discussed whether it would be more effective to provide newsletter type of information to regents on Fridays rather than to include them in the Board packet.

When discussing whether or not the Board committees should be meeting on more strategic academic or financial issues, Regent Schieffer suggested that the chairs of the committee be the ones to determine whether they call a strategy meeting.

Dr. Rush also suggested that perhaps Board members may want to attend the Academic or Business Affairs Council meeting when there are more strategic issues being discussed.

Regent Sutton asked whether there should be more open discussion at the committee meetings. He said at present the committees only work through agenda items, they do not address strategic direction as an open topic.

BHSU President Tom Jackson, Jr. noted that presidents represent many constituent groups at their institutions so an open discussion may be difficult because they want to make sure their responses are thoughtful.

Regent Sutton said that past Board Chairs have noted that it is important for the Board to move into a more strategic focus, rather than to work in the weeds.

SDSU President Dunn said SDSU is preparing a document that compiles accomplishments toward the institution's strategic plan. He said it might be good for the Board to have a similar-type of document that helps it understand where it is relative to its goals.

Referencing the Board self-evaluation examples provided in the agenda item, Dr. Rush described this process as being a best practice and discussed the types of evaluations the Board could elect to use.

Regent Schieffer recognized self-evaluations as important and highly recommended. He said he would be interested to get other perspectives, such as inviting presidents or senior staff to evaluate the Board and the regents.

Regent Morgan said in his experience, the most useful information from a self-evaluation comes back in the comments section. He said if the Board does a self-evaluation the comments section should be emphasized. The Board generally said they liked the example provided in Attachment II because it prompts more information.

Dr. Rush noted that AGB offers a self-evaluation service that helps facilitate the process.

Regent Thares said that because the Board is small and there are many new members, it seems like not a lot of information would be gathered through a self-evaluation. He said that it seems more impactful to get the perspectives of the presidents and the senior staff.

Regent Wink said that she would like to hold onto the idea of a peer review. She said that these can be helpful.

Dr. Rush said self-evaluations prove useful because they include Board processes which can be helpful in adjusting the way the Board functions.

Dr. Rush said that in the interest of time, the By-Laws review would be discussed during the agenda item on Thursday. However, he addressed one element of the By-Laws, which has to do with the Audit and Athletics Committees considered during the June 2017 BOR meeting. He said at that time, the Board expressed interest in these being Standing Committees. Therefore, until the second reading of the revised By-Laws, the Audit and Athletics Committees would be created as Special Committees so as not to impede these groups from starting their work.

Regent Morgan asked how the Audit and Athletics Committees would function. Dr. Rush said the Audit Committee has a Charter that will help guide its operations, but he envisions an initial meeting of both committees before the October Board meeting to discuss and determine the ways in which they will work.

President Sutton noted that the Audit Committee is not only about finances. It can also look at compliance.

BHSU President Jackson, Jr. said that there is an enormous amount of time spent on the accreditation process at the institutions. He suggested that perhaps some of this information could be used by the Audit Committee.

After Regent Sutton emphasized the importance of governance, Dr. Rush explained that as part of the By-Laws review, it is suggested that the Committee on Planning and Resource Development take governance as part of its responsibilities.

A copy of the Board Operations and Priorities 2017-2018 item can be found on pages _____ to _____ of the official minutes.

IT WAS MOVED by Regent Bastian, seconded by Regent Schieffer, that the Board of Regents dissolve into Executive Session at 4:17 p.m. on Tuesday, August 8, to discuss personnel matters, pending and prospective litigation, contractual matters, and to consult with legal counsel; that it rise from Executive Session and adjourn for the day at 7:00 p.m.; that it resume the regular order of business at 8:00 a.m. on Wednesday, August 9, 2017; and that it report its deliberations while in executive session during the appropriate Board agenda item. Motion passed.

WEDNESDAY, AUGUST 9, 2017

Regent Sutton reconvened the meeting of the Board of Regents at 8:10 a.m.

PLANNING SESSION – CONTINUED

Efficiencies in the Regental System

Dr. Mike Rush, Board of Regents' Executive Director, introduced the item entitled Efficiencies in the Regental System by explaining that the Joint Committee on Appropriations (JCA) recently requested information about the things done within the regental system to promote efficiency. The JCA asked that the Board and the institutions demonstrate a commitment to student success, affordability, and performance while being financially responsible to the students and taxpayers of South Dakota, by providing a preliminary assessment of opportunities to maximize results through efficiencies at their July 26 meeting in Aberdeen. Board of Regents staff developed a response to the query by developing a list of recent activities, initiatives and policy revisions underway to address the three objectives denoted above.

Dr. Rush said that after presenting this report to the JCA on July 26, the group explained that they would like to see more of these efforts toward efficiency.

Dr. Paul Turman, System Vice President for Academic Affairs, reiterated that South Dakota is fourth highest in the country when looking at net price. He said that the lack of state aid in South Dakota is also relevant. That said, he noted that South Dakota public institutions' cost to degree is much less than peer institutions in the United States, meaning that South Dakota is doing a very good job with less resources when compared to other institutions throughout the country. He presented the various activities discussed with the JCA.

Discussion ensued about guided pathways as well as the change from 128 to 120 credit hours required to earn a degree. The Board and presidents discussed the types of programs that require more than 120 credit hours and recognized that this is often tied to accreditation requirements.

President Dunn pointed out the consequences of a low cost to degree. He said the system can offer a low cost to degree because it does not pay its faculty and staff competitive wages compared to other institutions. He said SDSU can only pay faculty 65% of the national average, which can trigger education quality issues.

In response to a comment about using lecturers, who require less pay than full professors, President Abbott noted that the regental institutions are small and many departments cannot afford to employ lecturers because they still need to have full time faculty since lecturers cannot design curriculum or teach graduate courses.

Regent Schieffer asked how many full professors are necessary for each institution and how that data compares to peer institutions. He said the legislature and others are looking for ways to create efficiencies, and this is an answer that is important for the regents to have available.

Regent Schieffer asked for additional information about (1) the section size analysis, (2) instructor versus full professor ratio, and (3) program redundancy. He said questions about these topics are being asked and, without clear answers, they are difficult to defend. He asked that these be examined and decided upon by the Board, putting the regents in a better position to defend. He emphasized that the financial analysis related to each of these areas needs to be included since money is the overall motivation of looking at these issues.

Regent Sutton noted that leadership, such as shared administrators, is another area to examine.

Dr. Rush described a process called program prioritization that the Board might want to consider to create additional efficiencies.

Dr. Turman suggested that another area the Board may want to explore is program productivity and whether or not the current required number of graduates in a program over a certain period of time is appropriate. He said perhaps the Board would prefer a higher number of required graduates for a program to continue to operate.

Regent Roberts noted that personnel expenses are the majority of the institutional budgets. She asked if there is a process in place to analyze whether or not a position should be filled when vacancies arise. Presidents acknowledged that there is a process in place to review the vacancies and whether or not they should be filled and, if so, where.

Regents said it would be helpful to have more education on the institutions' position-review processes.

President Abbott emphasized the importance of national benchmarks, similar to what Regent Sutton described when Avera chose to consolidate leadership positions. He highlighted the critical importance of understanding the different types of programs being offered, which dictate the requirements for things such as section size, etc.

Interim President Puszynski also provided the reminder that there are other expectations of the universities, such as research, that can only be conducted by full professors.

Regent Sutton summarized the entire discussion by saying that the Board would like more information so the Board can make good decisions and then defend these decisions to the legislature and broader public when necessary.

A copy of the Efficiencies in the Regental System item can be found on pages ____ to ____ of the official minutes.

University Center – Sioux Falls

Dr. Jay Perry, Assistant Vice President for Academic Affairs, described the information provided in the retreat agenda item and summarized the wide variety of actions undertaken since August of 2015 to implement the ten specific directives provided by the Board to reshape the University Center-Sioux Falls (UC-SF).

Dr. Craig Johnson, Executive Director of the UC-SF, said the consultant's report was an important effort for the UC-SF. He acknowledged that the process brought people to the table individually and collectively that otherwise would not have occurred. He described the things that are working well and the challenges that remain.

In response to a reference about the advising process being adopted at the UC-SF, Regent Schaefer asked the presidents involved in the UC-SF for their perspectives. President Griffiths said that the intrusive advising model that is being adopted at the UC-SF is critical. President Dunn said that the provosts from SDSU and DSU need to do a good job of fully describing their degree offerings so that the UC-SF advisors and Provost Moran at USD can understand these programs and best help students.

Dr. Johnson touched on the primary recommendations made by the consultants in regards to the UC-SF and described the next recommended actions from his perspective.

Regent Schaefer said #13 "Develop a community-based career development program" is exactly where we need to go. He said there are opportunities system-wide as there is not a sustainable career development program in place currently. In regard to #10 "Find a way to lower the UC tuition rate for lower division courses," he said there needs to be a financial commitment from the Sioux Falls business community.

Dr. Johnson said the conversation with the Sioux Falls business community has started, but he said it is difficult to fundraise from the local community when there are no state dollars contributing to direct costs.

To address a question about whether state dollars contribute to the direct costs of the UC-SF, Dr. Kramer confirmed that the direct operating expenses are covered by the revenues generated by the UC-SF only. However, he said the campuses indirectly support the UC-SF in several ways, such as the time it takes planning which programs they will offer at the UC-SF, all of which are reflected as indirect costs. He said how the facilities are financially supported is another issue because the Board holds the debt for all regental buildings and HEFF dollars are allocated to the institutions.

He said we do not include the facilities costs because those are held by the Board. Debt is owned by the Board, not the institutions. In other words, the campus financial statements do not include the proportional debt attributed to the campuses. We have the same issue across the system (central management of HEFF and bonding debt). Therefore, some universities partially subsidize other universities.

Regents Schaefer and Schieffer said they would like an informational item that clearly shows the direct costs of the UC-SF. They would like to see this for the individual universities as well. Dr.

Kramer said he could add additional information to the operating statements and provide them to the Board.

Dr. Johnson responded to a question about the goal of lowering costs to \$199 as described in recommendation #10. He said when comparing off-site centers in surrounding states with lower rates, 47% of their funding came from state money. He reiterated that the UC-SF is not trying to become a community college. It is trying to add a community college like function to the menu of offerings.

Dr. Perry noted that the UC-SF is working to create a community college like function without the most important element of a community college, which is the ability to be a financially viable option – one that allows access to populations in Sioux Falls that would otherwise not be able to access higher education.

Dr. Johnson said that Sioux Falls is an attractive enough location that if it could offer a financially viable option for higher education, it could also be an importer of individuals which would positively contribute to the workforce.

It was suggested that more effort be placed in the area of recruiting financial support from the Sioux Falls community and that the ability to change state law to allow public money to be spent at the UC-SF should be advocated by the community of Sioux Falls.

Dr. Johnson said that it is yet to be determined whether these programs will resonate with the students and the work place. He also said that the community will be watching the UC-SF's behavior in the next 6-12 months to see if it takes action and starts to adopt the recommendations of the FutureWorks report or other signs that change is happening.

President Dunn said that the community of Brookings has invested \$10 million over the last 10 years in buildings on the campus of SDSU, which provides a model for the UC-SF and the Sioux Falls community.

Regent Schaefer asked about Dr. Johnson's recommendation that the new advisory board for the UC-SF should exclude a representative from the university partners and Board office. He asked how that would engender more trust and communication when those are two key issues.

Dr. Johnson said that the MOU that gives USD the management rights to the UC-SF has not been fully exercised. He is asking for more trust by the partner institutions until trust is broken. He said he would be happy to compromise this recommendation by including the provosts of the partner institutions and Dr. Perry from the Board office, if necessary.

When further asked about the composition of the advisory board, Dr. Johnson said that it will be difficult to get business executives to the advisory board meetings; instead it should include individuals those executives trust.

Regent Schieffer pushed back on the compromise position of having the provosts from DSU and SDSU along with Dr. Perry from the Board office as part of the advisory board membership. He said the UC-SF Executive Director is accountable for the center. By including only the Executive

Director in the membership, rather than leadership from DSU, SDSU and the Board office, this accountability will be demonstrated to the community members.

President Abbott said the point of the advisory committee is to give the Sioux Falls community members a voice.

In response to a question by Regent Schieffer, Dr. Johnson said that there are people that think the Executive Director position should have more ability to make decisions, such as determine when/how to use space when it becomes available onsite. The current thinking is that when there is an issue, the three partners should come to a collaborative decision. He asserted that the MOU intends that he can make decisions independently, but this is not what has been happening. He described a recent situation related to a vacant suite of offices and disagreement about how it should be used. Nonetheless, he reiterated that the successes far outweigh the remaining difficulties especially related to academic programming.

Dr. Johnson said that at some point a change of leadership might be necessary, which might help with the trust factor.

In response to a question by Regent Morgan, Dr. Johnson described a space study conducted by SDSU two years ago to explore moving the nursing program to the UC-SF. This study showed that adding a program like this might require an addition to the UC-SF. He additionally explained that a transition to hybrid course offerings could provide more available space.

Regent Schieffer urged the UC-SF to look at how it is using and booking its space, considering the seeming vacancy of the building. Additionally, he emphasized that they need to find a resolution to the space issue in regards to the SDSU nursing program.

Regent Schieffer further asked for clarification about the changes in head count and credit hours. Dr. Johnson said that at this point it appears that there could be a 5-10% increase in credit hours since last fall with a near even head count.

Regent Sutton said next steps from this conversation include (1) understanding how the community group of leaders responds to a funding proposal and (2) work through space allocation issues that incorporates partner institutions' programming and space utilization.

Regent Schieffer asked if there is objection to the community steering committee recommendation as written in the item.

Regent Schaefer reiterated the importance of improved communication amongst the three partner institutions.

IT WAS MOVED by Regent Schieffer, seconded by Regent Bastian, to modify the MOU to reflect recommendation #2 under III.2 of the report put forth by the Executive Director of the UC-SF offered in the related agenda item. Motion Passed.

Regent Sutton said with this approval, the Board should also receive a report of who is appointed to this committee and get a periodic report of its meetings and related developments.

A copy of the University Center – Sioux Falls item can be found on pages ____ to ____ of the official minutes.

High School to College Transitions

Dr. Paul Turman, System Vice President for Academic Affairs, explained that for the past three years, the Board of Regents has prepared an annual Matriculation dashboard that depicts the postsecondary placement for South Dakota high school graduates. Data depicted in this tool indicates that on average, 67% of South Dakota high school graduates each year pursue postsecondary opportunities within 16 months of graduation, with just under 36% of those students who enrolled in postsecondary did so directly into the regental system.

He said over the past decade, the Board of Regents has also aggressively pursued programs and activities intent on providing South Dakota students with opportunities that will improve their successful transition into postsecondary education. For instance, concurrent credit coursework has been delivered through partnerships between regental institutions and local school districts. More recently the creation of the High School Dual Credit (HSDC) program has greatly expanded access to General Education courses allowing students to enroll in existing face-to-face and distance courses delivered in the regental system.

He said at its June 2017 meeting, the Board engaged in discussion about the potential for further expanding the HSDC program to include an Early College model at the Harrisburg school district, the implications of which would result in similar expansion to other school district partnerships. Also at this meeting, representatives from Governor Dugaard's office provided an overview of the current career pathway initiative which has a number of implications for potential partnerships between districts and regental institutions.

Regent Sutton described the HSDC program as one where two strategic priorities collide. He said it provides affordability and access to students; however, it has the significant potential for revenue loss for the regental system.

Dr. Turman said one of the other challenges of the HSDC program is that it creates an imbalance within our own system. For instance, BHSU delivers a lot of dual credit hours to students who enroll elsewhere (particularly SDSM&T and SDSU), so BHSU gets revenue it otherwise would not get, and SDSU loses revenue from these students who enroll there (but who earned HSDC from another institution). There is an impact on staffing at the campuses that lose revenue and have a lower demand for those courses.

Regent Morgan asked how often the institutions have had to add another section to accommodate the additional HSDC students. Dr. Turman indicated that adding 3,000 students cannot be added to the margins so feels confident that additional sections have been added. This is especially true for the more popular courses. For less popular courses, there is room to increase enrollment without increasing costs.

President Dunn said there are ripple effects to the HSDC program. It is expensive to add another section because there is overhead and they have to hire another instructor.

Dr. Turman said there have been appropriate structures put in place to ensure that the dual credits earned through the HSDC program apply to a degree and that a student will be successful if he or she takes the courses. The regental system has imposed the following requirements for students to be eligible to participate in the HSDC program: students (1) must be juniors or seniors to qualify to take dual credit coursework and (2) must have a certain GPA or class standing. He said because technical institutes have not implemented similar requirements, students may start going to the technical institutes for dual credit courses as early as the freshman year in high school and then transfer these credits into the regental system. He said we now have students coming to us who are on academic probation from the start and who have a number of credits that have no equivalency in the regental system. We need to collaborate and collectively manage the HSDC program to ensure that we do not become the entity that delivers the junior and senior years of the high school curriculum.

Regarding the Early College model, Dr. Turman said that the question is what the correct price point is to offer the courses in this model. He pointed out the revenue models related to concurrent credit and dual credit, noting that the system earns more with the dual credit model. If a special price point is added for the Early College model, Dr. Turman said that we could risk losing the opportunity to deliver these courses if we say we would expect the school districts or students to pay a higher cost.

In response to a comment by Dr. Turman, Regent Sutton asked what the public's reaction would be to limiting the number of dual credits a student can bring with him or her into the regental system. Dr. Turman responded by saying that there is not currently a lot of guidance for students on what courses they should take. It is possible that with more data, we may be able to show that a limit is useful to the students because they are not taking courses that are relevant to their degree.

Regent Roberts suggested that dual credit funding be discussed with the Governor now that the HSDC program has been in place for a few years.

Dr. Rush said because we are not in control of all the variables we need to be careful of the limits we place on this programming. Students will find a way around our limits because others will offer the opportunities without the same limits.

Dr. Turman asked whether the Board is supportive of taking the high school dual credit approach to starting the relationship with the Harrisburg school district. The regents agreed that this should move forward as a pilot.

Regent Schieffer said it is important to continue to calibrate the price point. It needs to make sense for the regental system but it also needs to have the high school pay before a bill is sent to the student. He wants to be sure that the state is not being double-billed to educate the same students.

A copy of the High School to College Transitions item can be found on pages ____ to ____ of the official minutes.

Regent Sutton said that if there are no objections, he would propose that the Board move into executive session at 4 p.m. to finish a discussion they started in the prior evening's executive session. There was no objection.

65% Degree Attainment Goal

Dr. Paul Turman, System Vice President for Academic Affairs, described past efforts of the regental system that sought to implement new and innovative ways of supporting students. He referred to past performance funding models which helped to seed the integration of co-requisite remediation and other activities encouraged by Complete College America. He provided the Board information about the current engagement with AAC and the Math Discipline Council related to approaches for improving remedial math performance and options for developing alternative math pathways.

After explaining that the national mathematics association and many higher education institutions are moving away from the requirement that every student take Algebra in order to graduate, the group asked questions about what types of math skills students need to know if they are, for example, an English teacher. They discussed the current applied Algebra class called 103 Quantitative Literacy, which has not been particularly popular with students.

Regent Morgan said the regental system should take a hard look at the pre-requisites that it requires, which we presumably believe are necessary for students to graduate and be successful.

President Jackson said that failure in a single math class can oftentimes determine whether a student is going to graduate.

President Downs said that it is more and more common to advise students to take math in their second year, which allows them time to gain confidence. This is done for a student who is not comfortable with math and is not in a math-intensive major.

Dr. Turman said that advisors should encourage students to take the general education core within their first or second year.

In response to a question by President Abbott, Dr. Turman explained that students must take their general education requirements within their first 90 credits so there is flexibility on what classes they can take in their first years. Some classes are prerequisites so they really should be taken early if a student is to say on track for graduating in four years.

Regent Adam said that he would argue that students are more successful in College Algebra in their first semester of their first year of college because the further they are from taking a math course, the less successful they are likely to be. He also asked about the Math Emporium model at USD, which he understands has been a challenge. President Abbott said that after the initial signs that the Math Emporium model was successful, it has shown not to be successful in the last two years. He said they are bound and determined at USD to rectify the problem and are investing toward a resolution starting this fall.

Regent Morgan said recognizing that not much progress has occurred in math remediation over the last several years, he would be supportive of further investigating the option of changing the math requirement dependent on the students' degree program. The other regents agreed, and Regent Sutton said we need to ensure that we are not unnecessarily weeding out students with College Algebra.

It was emphasized that a change to the math requirement would not be put in place to lessen the knowledge required of our students but to provide different pathways to the education they need for their degree programs.

Dr. Turman also provided the Board an update on the Proactive Admission project which is being launched this Fall in partnership with the Department of Education. He also discussed the College Application Campaign and said this program will reach all school districts in the state by the 2018-19 academic year.

Regent Sutton asked whether Dr. Rush is leading a group of partner agencies and institutions to encourage efforts for sharing responsibility of the 65% degree attainment goal. Dr. Rush explained that efforts have incorporated the technical institutions, and we have relationships with tribal institutions as well. Dr. Turman noted that he is meeting with the private institution presidents on August 30 to discuss Shared Responsibility, SARA and the 65% Degree Attainment Goal. As part of the Lumina Grant effort, he hopes to find a time in September or October for all groups to meet in Pierre to discuss.

Regent Schieffer asked for a current status report on the percentage of degree attainment and how this is calculated.

A copy of the 65% Degree Attainment Goal item can be found on pages ____ to ____ of the official minutes.

FY19 Budget Development

Dr. Monte Kramer, System Vice President of Finance & Administration, and Leah Ahartz, System Budget Manager, asked the Board to review the draft list of budget requests in order to provide guidance toward creating the final budget requests. They explained that after final review by the Board the budget proposal will be developed and submitted to the Governor's budget office (Bureau of Finance and Management) by the end of August.

They summarized the budget priorities previously discussed, which included: Shared Responsibility Student Aid Program, REED 100 Gigabit Network, General Fund M&R Recovery, and Student Success Initiatives.

Regent Sutton asked for feedback on the Shared Responsibility, M&R Recovery, and REED 100GB Network.

President Dunn said that we will not get close to achieving a 65% degree attainment goal without a more substantial needs-based scholarship. President Downs agreed.

Regent Schieffer said priority 1 (Shared Responsibility) should be priorities 1, 2 and 3. He said we should craft a solid presentation that compares South Dakota to other states and show that we have failed South Dakota's students in need.

In the student success initiatives category, President Dunn noted that while he believes in the math initiative at SDSM&T, it is important to recognize that many legislators believe the best and

brightest do not need additional support. Regent Sutton said if this moves forward we need to reframe and educate people that this is not remedial math, as that phrase is typically understood.

In response to a comment by Regent Sutton that the Board needs to consider whether or not the items have a chance to be funded, Dr. Kramer said that the math initiative at SDSM&T has had traction in the past. However, he recommended that the high school piece to the math initiative be dropped as he feels it jeopardizes the other part of the program. He added that it will be important to show the legislature the data that shows that this program continues to be successful.

Regent Roberts said that she struggles with the small dollar requests. She would prefer to focus on the top three big items. However, she said asking for \$14 million in this budget year does not make sense.

It was noted that the legislature will not allocate an amount of money without knowing how the dollars will specifically be spent. The group continued to discuss how to prioritize the items and what specific strategies they will use for the request.

A copy of the FY19 Budget Development item can be found on pages ____ to ____ of the official minutes.

IT WAS MOVED by Regent Bastian, seconded by Regent Adam, to dissolve into Executive Session at 4:00 p.m. on Wednesday, August 9, 2017 to continue the discussion of personnel matters. Motion passed.

THURSDAY, AUGUST 10, 2017

PLANNING SESSION – CONTINUED

Regent Sutton resumed the meeting at 8:00 a.m. Regent Wink recognized President Downs for Northern State University's recently concluded accreditation process for which NSU received a very high rating.

FY19 Budget Development – Finalization

Dr. Monte Kramer, System Vice President of Finance & Administration, handed out a summary of the Board of Regents' budget request based on the previous day's discussion. The summary included the base budget requests ranked in the following order: (1) Shared Responsibility Student Aid Model, (2) General Fund M&R Recovery, and (3) Mathematics Success Initiatives. The one-time budget request included the REED 100 Gig Network.

Regent Schieffer suggested that the name of the Shared Responsibility Student Aid Model be changed to be more obvious on its face. Regent Sutton explained that the idea is to move away from the needs-based scholarship vernacular because we want to introduce the idea that many stakeholders should all share in the responsibility of creating an educated citizenry.

Dr. Turman provided the history of the legislation that created the needs-based scholarship. He introduced the name "Dakota's Promise," which was at one time considered but did not make it into the legislation that created a needs-based scholarship.

The Board said they like the name Dakota's Promise and suggested that it be officially used when referring to the Shared Responsibility Student Aid Model.

Interim President Puszynski recommended that the math success initiatives request, which originally only included SDSM&T, be expanded to a system-wide request. The presidents agreed and said they would like to further develop their math success initiatives as well.

Regent Schieffer asked whether a system-wide request would muddy the waters, especially related to the idea and common understanding of remedial math. Discussion ensued about how this should be framed, and some recommended this being framed as a retention issue.

Regent Schieffer emphasized that the definitions of remediation are important. There are two fundamental concepts in a system-wide request: (1) helping students achieve the level of competency they need in order to be college-ready, and (2) helping students achieve success in a certain discipline that requires intensive math skills. He said both are student success and retention issues.

The group discussed whether this could be successful as a system-wide request with different programs as well as the appropriate dollar amount for each request.

Dr. Rush recommended that the higher-end math skills be wrapped into one request (SDSU and SDSM&T) and the requests from the other four institutions be framed as a student success request (BHSU, NSU, DSU, and USD).

Regent Roberts said she recognizes the need for resources for student success. She suggested that 3-A be Mathematics at SDSM&T and SDSU at \$504,000 and 3-B be Student Success Initiatives for \$395,000 (\$165,000 each). Each president should be prepared to explain their proposed programming with the dollars requested. The group concurred.

Regarding the REED Network, President Griffiths suggested that Phase 3, which includes the cable being run to west river locations, be recognized in the request so that the full picture is revealed.

President Dunn said that the capital projects were not discussed and he asked for consideration of the Precision Agriculture building.

Dr. Kramer said that if there are no general funds tied to the project, it would not need to be included in the budget request. He said this project could be included in the list of legislation to be approved for the October BOR meeting.

The Board said they support the project with other funds. Because the \$31 million for the Precision Agriculture building would come from a tax, funded similarly to the ADRDL project, they would not need to include it in the budget request.

President Dunn said that when trying to raise private funds for projects, the question presidents are frequently asked is whether the Board supports these projects. Being able to say that the Board supports the project is critical in terms of engaging in successful fundraising.

Dr. Rush said that Precision Agriculture and MadLabs have had initial support shown by the Board because they have gone through the first steps of the building process.

The group described the budget process going forward. The Board submits its formal request to the Governor on September 1 and then meets with the Governor and his staff in late September. In early December, the Governor presents his recommended budget to the Legislature, at which point the Board learns which of its requests were incorporated in the Governor's recommended budget.

Regent Sutton asked whether there are any other projects in this list that the Board wants to include in the budget request to the Governor.

President Dunn asked whether salary policy should be included. It was clarified that we have been asked not to include salary policy since this is determined by the Governor. The Board said we need to make the strong statement that salary policy is the number one request in the narrative.

President Griffiths said DSU's effort in K-12 education regarding cyber security is capturing attention. She wondered whether the Board needs to show its support in some way.

Regent Sutton said the items that show up on the larger list of proposed projects are supported. If they do not show up on the budget request list, it just means the Board is not requesting general funds for them at this time.

There was discussion about how projects would be handled if individual legislators pitched them as separate bills during legislative session. The Board agreed that as special bills are presented, the Board will meet by a special telephonic meeting to discuss and give direction to the related institutional president on how to proceed.

Regent Thares said he feels that the regental system's entire need should be known even if we do not ask for that total amount. He suggested that we frame the request in such a way that it is seen as an investment in a major industry/huge economic driver in South Dakota. He said the Board is not in the business of providing a cheap education but rather a quality education at an affordable price.

Tuition and Fees

Regent Sutton introduced this topic by providing a quick summary of how the Board sets tuition and when in the process this happens. He noted that recently the media incorrectly reported the expectation that the Board would be voting on a proposal to increase tuition and fees at this meeting, which is not the case.

He asked Dr. Kramer to provide a historical perspective for how tuition has been set in the past and how that has changed over time. Dr. Kramer was also asked to comment on the state funding gap and how it came to be.

Dr. Kramer said various factors need to be considered when determining the tuition structure. These include (1) the overall cost of attendance and how it compares to surrounding states, (2) the fact that tuition and fees are picking up a much bigger proportion of the operating and facility

costs, which is likely impacting enrollments, (3) the lack of state-funded scholarships and (4) declining enrollments. He said at this point in time 58% of the budget is funded by the students (tuition and fees) and 42% is coming from the state.

Dr. Kramer explained that the tuition structure has gone through several iterations of standardization and differentiation over the years. He provided the logic for standardization, which in essence happened because all money went into the same central account and the money was then divided among the institutions based on the enrollments at each institution. He said in 2012, the Board implemented differentiation to recognize the importance of the research mission and the additional costs associated with it. He noted that the differentiation in 2012 also came at a time when the revenue brought in by each institution was kept by that institution. In addition to the recognition that research institutions cost more to operate, the 2012 change was intended to provide more funding to three of the schools that were identified as needing more resources based on the Revenue Gap Funding Formula.

Dr. Kramer described the return to standardization in March 2017.

Dr. Kramer acknowledged his belief that differential tuition makes sense. He explained that almost every state has a higher tuition rate for its doctoral level institutions because they cost more to operate. Of the 46 states that have both comprehensive and doctoral level institutions, 43 states have differential rates. The differentials range from 3.3% to 85%.

He said South Dakota is one of few states that does not have a differential.

Regent Schaefer said he likes the differential tuition but feels that there should be more than two segments. He said his problem with the differential during 2012-2017 was the two categories of institutions. One included the research universities, which combined SDSU, USD and SDSM&T. The other was the comprehensive universities, which combined DSU, NSU and BHSU. He felt that including DSU with NSU and BHSU didn't make sense because DSU has higher faculty costs because of its unique mission and programs that are technology-intensive. He prefers individualized differential tuition by institution.

Dr. Kramer explained that the ranking structure of comprehensive versus research-level institution is a national ranking structure that is widely used in higher education.

Dr. Kramer described examples of how the system currently differentiates its tuition and fees, such as through required laptop fees and general activity fees.

In response to a question by Regent Bastian, Dr. Kramer said that as of 2011, each institution pays into the tuition and fee pool but they take out what they put in. The only reason they have to pay into the pool at all is that it is required by statute. He acknowledged that this change drove the change to move to the differential tuition that occurred in 2012.

Dr. Kramer further described how South Dakota's tuition and fees compare when looking at its regional competitors. He commented on how other states are working to recruit South Dakota students, often charging South Dakota students their resident tuition rate.

Dr. Kramer also described the way the tuition and fee proposals (excluding discipline fees) have traditionally been built. The proposal only accounts for increases to the following: (1) salary policy, (2) health insurance, and (3) CPI inflation.

In response to a question by President Dunn and Regent Sutton, Dr. Kramer provided more information about the Minnesota and South Dakota reciprocity program. Dr. Kramer said that although we have reciprocity with Minnesota, many Minnesota institutions give South Dakota residents the Minnesota resident rate.

Regent Schieffer said for the 14 institutions where South Dakota students can go out of state and pay less than the in-state South Dakota tuition rate, it would be helpful to know how many South Dakota students attend those institutions. Dr. Paul Turman later provided the requested numbers, which showed that over a five year period 3,220 students were lost to these 14 institutions.

The discussion moved to the difficulty of recruiting students when there are few scholarships to attract students to our institutions.

In response to a question about whether scholarship money would significantly change South Dakota's higher education enrollment challenges, the group felt it would be interesting to analyze changes in Wyoming's enrollment since implementation of its recent scholarship program.

Dr. Kramer said the system continues to show success in recruiting nonresidents, but the competition is getting fierce.

He said South Dakota is one of the last in the country for state aid.

Regent Schieffer asked whether institutions are using tuition to fund institutional scholarships. Dr. Kramer said that institutional scholarships are not funded through tuition or the general activity fee. He said other fund sources like athletics receipts, auxiliary business profits, rentals, etc.. are used. Dr. Kramer said that campuses offer the scholarships and gain revenue because these student would not had otherwise been recruited.

Presidents provided examples of the strategy used when deciding who and how much to offer in scholarships for recruitment purposes.

Regent Thares asked about how much money it would take to have the state pay 50% of the cost. Dr. Kramer answered roughly \$20 million.

Regent Sutton asked that Dr. Rush bring this to the Board in October or December to discuss what the Board learned today. He wants to discuss such things as the Board's philosophy on tuition differentials as well as BHSU's fee proposal as a different philosophy.

A copy of the Tuition and Fees item can be found on pages ____ to ____ of the official minutes.

SD Higher Education Enhancement Initiative Proposal from Black Hills State University

Dr. Rush introduced this discussion item by explaining that the Council of Presidents and Superintendents (COPS) have been in discussion about alternate ways of funding program

enhancement and faculty salaries. This proposal provided by President Tom Jackson, Jr. requests the establishment of the South Dakota Higher Education Enhancement Initiative which seeks to address these issues.

When speaking to the importance of faculty salary needs in South Dakota, the presidents provided examples demonstrating the difficulty of retaining their best faculty. When institutions lose highly productive faculty, it damages departments and drains the institution of any grants these faculty members have been awarded.

President Jackson described his proposal as a \$40 million dollar proposal over 10 years. This includes \$25 million for campus enhancements based on the percentage of students at each campus and \$15 million to supplement faculty salaries based on the BOR faculty salary needs survey.

Regent Sutton asked for more information about movement to midpoint in state government and the regental system.

Regent Adam said that from the student perspective this proposal would be difficult. He said tuition has increased about \$5,000 for the student over the last 10 years, and this proposal would increase tuition by another \$6,000 over the next 10 years for a four-year degree. He said this runs counter to the Board's affordability priority.

Regent Roberts said that the legislature will not provide salary policy above what other state employees are getting, so we will have to find other fund sources besides general funds to increase faculty salaries.

Regent Sutton asked at what point students leave an institution because there are subpar faculty. President Dunn explained that SDSU received results from a recent campus climate survey. He noted that from the results it appears that students are rating their faculty lower than students at peer institutions rate their own faculty.

There was an acknowledgement that the Board's only authority is raising tuition and fees but the elasticity threshold in what we can charge the students has been crossed. There needs to be an alternative funding source.

Regent Morgan said the tourism tax idea is interesting because no one chooses vacations based on the state that has the lowest tourism tax. He said it would be worth having a conversation with the Governor's office about it. Otherwise, we can only get more money by taxing our students or taxing our residents.

When considering ways to continue the conversation, Regent Morgan suggested using the Board's committees. He said these types of initiatives could come through the committee process to then be considered as proposals by the full Board.

The Board was interested in continuing the conversation as a committee meeting topic. It was also suggested that the Business Affairs Council, Academic Affairs Council, and COPS be included in the discussions.

A copy of the SD Higher Education Enhancement Initiative Proposal from Black Hills State University item can be found on pages ____ to ____ of the official minutes.

LUNCH MEETING WITH AREA LEGISLATORS

Representative Tim Rounds (District 24), Representative Mary Duvall (District 24), Representative Jim Schaefer (District 26B), Representative Bob Glanzer (District 22), and Senator Jim White (District 22) met with Board members to informally discuss collaboration with technical education, remediation and retention strategies, student preparation for higher education, and the state's high school dual credit program.

REGULAR SESSION

BOARD WORK

3-A Approval of the Agenda

IT WAS MOVED by Regent Roberts, seconded by Regent Schieffer, to approve the agenda including an additional executive session to continue to discuss personnel matters from 4:00-5:00 p.m. on Wednesday, August 9 as well as additional agenda items 5-L Exclusion Resolution and 5-M University Centers. Motion passed.

3-B Declaration of Conflicts

Regent Sutton noted that he filed his annual disclosure with the Board. Regent Sutton's annual disclosure can be found on pages ____ to ____ of the official minutes.

3-C Approval of the Minutes

IT WAS MOVED by Regent Schieffer, seconded by Regent Morgan, to approve the minutes of the meeting on June 27-29, 2017. Motion passed.

3-D Rolling Calendar

The Board acknowledged the presidents' concerns with proposed dates, which were recommended to be held a week later than usual. It was decided to not adopt the recommended dates as outlined on the agenda item and instead stay with the week in August traditionally used for the retreat, which is August 7-9, 2018.

IT WAS MOVED by Regent Schieffer, seconded by Regent Thares, to approve the date and location of next year's Board of Regents meeting to be held on August 7-9, 2018, in Pierre. Motion passed.

A copy of the Rolling Calendar can be found on pages _____ to _____ of the official minutes.

CONSENT AGENDA

IT WAS MOVED by Regent Wink, seconded by Regent Schieffer, to approve consent agenda items 4-A(1) through 4-F. Regent Wink noted a necessary correction to agenda item 4-B(1) which incorrectly references USD in the draft motion rather than NSU. Motion passed.

CONSENT - ACADEMIC & STUDENT AFFAIRS

4-A(1) New Specialization Requests – SDSM&T – Geology and Geological Engineering

South Dakota School of Mines & Technology (SDSM&T) requests authorization to offer a Mining Engineering Specialization with the Geology and Geological Engineering Doctor of Philosophy (Ph.D.) in program.

A copy of the SDSM&T's request for a Mining Engineering Specialization can be found on pages ____ to ____ of the official minutes.

4-A(2) New Certificate Requests – USD – Medical Product Development and Manufacturing

University of South Dakota (USD) requests authorization to offer a Medical Product Development and Manufacturing Specialization with the Masters of Science (M.S.) in Biomedical Engineering program.

A copy of USD's request for a Medical Product Development and Manufacturing Specialization can be found on pages ____ to ____ of the official minutes.

4-B(1) New Certificate Requests – NSU – Chinese (Undergrad)

Northern State University (NSU) requests authorization to offer an undergraduate certificate in Chinese. The certificate will provide a credential to students with Chinese language skills and is designed to allow students to market themselves to potential employers who desire candidates with Chinese language and cultural proficiencies.

A copy of NSU's request for an undergraduate certificate in Chinese can be found on pages ____ to ____ of the official minutes.

4-B(2) New Certificate Requests – USD – Spanish Translation (Graduate)

The University of South Dakota (USD) requests authorization to offer a graduate certificate in Spanish Translation. The certificate will provide a credential to students with capacity for Spanish translation, and has students explore theory and ethics, in order to meet the region's needs for professional translation services.

A copy of USD's request for a graduate certificate in Spanish Translation can be found on pages ____ to ____ of the official minutes.

4-C Agreements on Academic Cooperation – SDSM&T

South Dakota School of Mines & Technology (SDSM&T) seeks approval to enter into an agreement on academic cooperation with the Universidad Peruana de Ciencias Aplicadas (UPC), Peru. SDSM&T currently has an MOU with UPC Peru and would like to begin an exchange program with them.

A copy of SDSM&T's Agreement on Academic Cooperation can be found on pages ____ to ____ of the official minutes.

4-D(1) Articulation Agreements – SDSU

South Dakota State University (SDSU) requests approval to enter into eleven new articulation agreements with Lake Area Technical Institute as noted within the item.

A copy of SDSU's Articulation Agreements can be found on pages ____ to ____ of the official minutes.

4-D(2) Articulation Agreements – USD

The University of South Dakota (USD) requests approval for articulation agreements between Western Iowa Tech Community College, Western Dakota Technical Institute, Southeast Technical Institute, Mitchell Technical Institute, Lake Area Technical Institute, Avera Hospital, Rapid City Regional Hospital, and Sanford Hospital as noted within the item.

A copy of USD's Articulation Agreements can be found on pages ____ to ____ of the official minutes.

4-E Request to Seek Accreditation – DSU

Dakota State University (DSU) requests approval to seek accreditation from the National Association of Schools of Art and Design (NASAD) for their Digital Arts and Design program.

A copy of DSU's request to seek accreditation can be found on pages ____ to ____ of the official minutes.

4-F Graduation Lists

Black Hills State University (BHSU), Northern State University (NSU), South Dakota State University (SDSU), and University of South Dakota (USD) request approval of the attached graduation lists for Summer 2017. DSU and SDSM&T recognize their summer graduates at May commencement.

A copy of the graduation lists can be found on pages ____ to ____ of the official minutes.

PLANNING & RESOURCE DEVELOPMENT

5-A Welcome by SDBOR Executive Director Mike Rush

Executive Director Mike Rush welcomed the attendees of the Board of Regents meeting to Pierre.

5-B Reports on Individual Regent Activities

Regent Morgan said the recent Governor's Workforce Development Conference in Sioux Falls was a very good opportunity to bring together all levels of education in South Dakota as well as the business community for one conversation. That effort was important to helping move education forward in South Dakota. He said Regent Sutton and President Dunn were both panelists.

Regent Bastian said he recently had the opportunity to appear before the new Board of Technical Education to emphasize the Board of Regents' willingness to work together with them. At that meeting, he said he discussed the 65% degree attainment goal. Additionally, he said he emphasized Dr. Rush's background in serving technical institutes in his former role and offered assistance where useful.

Regent Adam said he attended the Law School Task Force meeting earlier this week. He said there is a wide variety of information being gathered to help the Task Force make a recommendation. The Task Force has a goal of delivering a recommendation by December 1.

5-C Reports from Individual Presidents and Superintendents

President Griffiths said the opening event for the Beacom Institute of Technology is August 20 and hopes that all will attend. She also noted that DSU will host the European Union Ambassador to the United States in October. She would like to invite the regents and the presidents to stay for lunch on Thursday of the October Board meeting to meet with the Ambassador.

President Downs announced the opening of the NSU Wolves Memorial Suites, which is filled to full capacity this fall. He noted that the construction of the other new residence halls and the new science building is on schedule.

President Dunn said the Animal Disease Research and Diagnostic Laboratory (ADRDL) ground breaking is being held on August 31 with a football game following.

President Jackson said that the BHSU football field replacement is on schedule and will be ready next week.

Interim President Puszynski said SDSM&T's new turf, which was paid for by the city, was recently installed. He also acknowledged that several important meetings took place related to SURF in July.

5-D Report and Actions of Executive Session

Upon convening at 3:00 p.m. on Tuesday, August 8, 2017, the Board dissolved into executive session at 4:17 p.m. to discuss personnel matters, pending and prospective litigation, contractual

matters, and to consult with legal counsel. The Board rose from Executive Session and adjourned for the day at 7:00 p.m. The Board resumed the regular order of business at 8:00 a.m. on Wednesday, August 9, 2017. The Board dissolved into Executive Session at 4:00 p.m. on Wednesday, August 9, 2017, to discuss personnel matters before rising from Executive Session to resume the regular order of business. While in executive session, the Board discussed the items just described, which are also shown on the published agenda, and gave directions to its executive director and general counsel concerning these matters.

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

1. Approve awarding one (1) year of prior service credit toward tenure and one (1) year of prior service credit toward promotion for Brian Bengs, Assistant Professor (NSU); and awarding two (2) years of prior service credit toward tenure and two (2) years of prior service credit toward promotion for Joseph Tinguely, Assistant Professor (USD).
2. Award the title of Professor Emeritus of Biology for Dr. R. Neil Reese (SDSU).
3. 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.

Motion passed.

5-E Report of the Executive Director

Dr. Mike Rush referenced the Interim Actions report in the published agenda.

A copy of the Interim Actions of the Executive Director can be found on pages ____ to ____ of the official minutes.

5-F South Dakota School for the Deaf Task Force Report

Regent Schieffer said the School for the Deaf Task Force is on track to have its recommendation ready by December 1. He said the deaf community has an emotional attachment to the school so if the numbers prove out they will keep the school in its current location. That said it is reasonable to conceive that a part of the property, perhaps the unused track, could be sold.

Dr. Mike Rush, Executive Director and CEO, provided a brief overview of the steps taken up to this point in preparation for a recommendation. He noted that a request for information (RFI) was sent to several developers in the Sioux Falls area. He said there have been several responses and further discussions with the developers will occur in the near future.

President Dunn asked whether SDSU Extension was included in the task force hearings. It was acknowledged that SDSU Extension was involved. Regent Schieffer said the group recognizes that Extension would have to find a different space if the property was sold and that there would be costs associated for SDSU Extension if they had to move. This would also mean lost revenue to the School for the Deaf if it was not able to rent to SDSU Extension any longer.

Regent Schieffer said the next steps include a meeting on August 30, informal discussions with those who respond to the RFI, and continued communication with the stakeholders.

A copy of the South Dakota School for the Deaf Task Force Report can be found on pages ____ to ____ of the official minutes.

5-G University Center – Sioux Falls New Vision, Mission, and Values Statements Report

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that the FutureWorks report, received by the Board at its June 2017 meeting, included a recommendation for new mission, vision, and values statements for the UC-SF. He said the proposed statements emerged through discussion among the consultants, the project Steering Committee, and the project Planning Group. Those groups identified certain principles as important to the future of UC-SF. The principles identified were that the UC-SF must be community-facing, must offer demand-driven programming, and must be student-centered.

In response to a question by Regent Thares, Dr. Perry acknowledged there has been no financial commitment from business partners and the local community yet but there has been interest.

Dr. Rush said this fall is the first full-scale test of the new associate degree programs. In another year or so we will be better positioned to ask for a financial commitment.

Regent Sutton said he likes the vision statement and the capturing of individual prosperity in it.

IT WAS MOVED by Regent Adam, seconded by Regent Schieffer, to approve the new vision, mission, and values statements for the University Center-Sioux Falls. Motion passed.

A copy of the UC-SF New Vision, Mission, and Values Statements can be found on pages ____ to ____ of the official minutes.

5-M University Centers – Capital University Center and BHSU-RC

Dr. Mike Rush, Board of Regents Executive Director, provided an update on the Capital University Center (CUC). He said the viability of the USD Nursing program is unknown, and USD will make a decision on how to go forward in March 2018. He said he visited with Pierre and Fort Pierre city leaders asking them to co-fund the director position and focus on workforce development efforts; however, they are a long way from having a workable model.

Janelle Toman, System Director of Communications and former CUC Executive Director, said her current role at CUC is limited to touching base with the staff to see whether they need any help and signing checks for the CUC Foundation when necessary. She said enrollment is up in the BS in Nursing program offered through USD. Other programs have a very small enrollment and are not projected to increase. She noted that student interest is mostly focused on online coursework.

In response to a question by Regent Sutton, Dr. Rush said CUC is not a viable option under the current model. He said the only viable option is a community effort.

Regent Schieffer said he is increasingly concerned about the CUC. He heard three years ago that they needed time to make it work, and he went along with the plan despite hesitation. In three years, all the data points have worsened. He said spending resources at CUC does not make sense. He said he is finished talking about a transition, noting that it is not working and should be wound down. He asked others to give him an argument as to why his sentiment is wrong.

President Abbott noted that although the enrollment has increased for the BS in Nursing it is still not meeting initial projections. He said USD will lose \$250,000 per year from CUC based on the current student enrollment.

Regent Schieffer said he is not in favor of continuing because he does not see a solution on the horizon. Regent Schaefer agreed and said he does not want to spend any more time studying and transitioning.

President Dunn noted that SDSU is projected to lose roughly \$150,000 per year from CUC. President Dunn said that SDSU will be fully responsible for the cost of operations at CUC going forward and they do not offer many courses there.

In response to a question from Regent Sutton, President Abbott said that if CUC is wound down, any student who has started a program will be able to finish it.

Regent Bastian said that he would like to fully understand the consequences of ending Board of Regents' operational responsibility at CUC. He wants to know about the lease obligations, the impact on students, and the process and impact of winding down.

Dr. Kramer said the CUC facility is owned by the CUC Foundation, and we lease it from them. The lease payments of \$84,768 per year are paid from the following sources: \$50,000 from HEFF and another \$34,768 per year are appropriated general funds. He said the operating costs, currently paid by SDSU, cover staff costs. USD manages and pays the nursing staff. He said personnel costs were partially subsidized with approximately \$150,000 from the Board office, in the last fiscal year, which is no longer happening. Those costs are being absorbed by SDSU.

He said we have the money from general funds this year and the HEFF amount. He said we would need to give the Foundation notification. He said the HEFF amount would go back into the HEFF funds and the \$34,768 from general funds would not be appropriated to the Board for the CUC lease.

He said if the Board would choose to wind down CUC, the \$50,000 of HEFF goes back to M&R and the general funds appropriation of \$34,768 for the CUC lease would stop.

Regent Schaefer asked Dr. Rush to gather the information to immediately research the unwinding process at CUC (how soon can we unwind, costs, etc.). Regent Schieffer added that he would like to see any other options to make the CUC immediately viable. They said this information should be reported back to the Board at its October meeting.

Regarding the BHSU-RC, President Jackson reported current issues and trends. He said there are three staff advisors onsite. Both USD and SDSU offer courses there. He said the center engages an advisory board that includes 11 community members. He described pilot programs that are

being tested at the center. He also explained that in fall 2016, 66.4% of credit hours were produced by full-time faculty and 33.6% were produced by adjunct faculty. He noted that the enrollment is currently flat.

Regent Schieffer commended President Jackson's efforts and initiatives at the BHSU-RC. He said when that center was transitioned to BHSU, the numbers were more hopeful than have proved out. That said, it is in better shape than UC-SF or CUC. He asked whether President Jackson had solutions for how to make BHSU-RC more successful.

President Jackson said the most potential for enrollment growth for the BHSU-RC is to capture students within Rapid City. He said their challenge is to recruit these students who often do not go to college or who start but do not finish.

Regent Schieffer asked whether the pilot program related to block scheduling will stimulate morning classes considering that the center is quiet during the day and busy at night. President Jackson confirmed that the block scheduling is designed to run during the mornings or over the weekends.

Regent Schieffer directed President Jackson to run some projections for the next 4-5 years.

5-H Amendment to the By-Laws (First Reading)

Dr. Mike Rush, Board of Regents Executive Director, explained that during the course of working to create the Audit Committee and the Athletics Committee, it became evident that revisions were needed to the By-Laws. This item seeks to make necessary changes to Article III of the By-Laws (which addresses Standing Committees) to create the Audit Committee and the Athletics Committee as Standing Committees, and to make other changes to better align the By-Laws and the operations of the Board.

He noted that an additional change will be made to the naming of the Athletics Committee. The word "Advisory" will be struck to all reference to the Athletics Advisory Committee.

IT WAS MOVED by Regent Bastian, seconded by Regent Adam, to approve the first reading of the amendments to the By-Laws, as shown in Attachment I and reflected in Attachment II, and also leave out the term "Advisory" from the Athletics Advisory Committee name as well as change the language in Section 2.0 Membership to have the last sentence read "The terms and qualifications of regents are subject to SDCL Ch. 13-49." Motion passed.

A copy of the Amendment to the By-Laws (First Reading) can be found on pages ____ to ____ of the official minutes.

5-I Creation of Athletics Advisory Committee

Dr. Mike Rush, Board of Regents Executive Director, explained that after the discussion at the June 2017 Board Meeting, it was decided that the Athletics Committee will be created as a Special Committee in the Board's By-Laws, in order to avoid waiting until the second reading of the comprehensive revisions to the By-Laws have been approved. As part of the comprehensive

review of the By-Laws, the Athletics Committee will eventually be codified in the By-Laws as a Standing Committee.

IT WAS MOVED by Regent Thares, seconded by Regent Morgan, to approve the creation of the Athletics Committee as a Special Committee of the Board. The word “Advisory” in the committee name was struck consistent with the action in 5-H. Motion passed.

A copy of the Creation of Athletics Committee can be found on pages ____ to ____ of the official minutes.

5-J Creation of Audit Committee and Approval of Audit Committee Charter

Shelly Anderson, Internal Auditor for Board of Regents, explained that additional language had been added to the draft Audit Committee Charter since the Board initially reviewed it during the June 2017 Board meeting. She explained that after the discussion in June, it was decided that the Audit Committee will be created as a Special Committee in the Board’s By-Laws, in order to avoid waiting until the second reading of the comprehensive revisions to the By-Laws have been approved. As part of the comprehensive review of the By-Laws, the Audit Committee will eventually be codified in the By-Laws as a Standing Committee.

Dr. Rush said the Audit Committee includes internal controls as part of its responsibilities.

Shelly Anderson asked for nominations for two additional audit committee members who are not Board members and who have a finance background. She asked that suggestions be sent to her for President Sutton’s consideration. It was clarified that these committee members would not be paid and would be asked to work as volunteers.

IT WAS MOVED by Regent Thares, seconded by Regent Adam, to approve (1) the creation of the Audit Committee as a Special Committee of the Board, and (2) the Audit Committee Charter. Motion passed.

A copy of the Creation of Audit Committee and Approval of Audit Committee Charter can be found on pages ____ to ____ of the official minutes.

5-K Resolution Requesting the Grant of Easements to the City of Sioux Falls

Nathan Lukkes, Assistant Vice President of Research & Economic Development, explained that the USD Research Park, Inc. is requesting the grant of an easement to the City of Sioux Falls for street/highway right-of-way, water, sanitary and storm sewers, drainage, other utilities or structures associated with the operation and maintenance of the street/highway. The foregoing will facilitate the City of Sioux Falls taking responsibility for the operation and maintenance of those portions of W. Nobel Street and N. Frances Avenue to include the water, sanitary and storm sewers, drainage, other utilities or structures associated with the operation and maintenance of the street.

Additionally, in reviewing the manner in which prior streets in the area were dedicated, he noted that questions arose regarding the process used to effectuate the August 2007 street dedication for North Career Avenue. As such, the Commissioner of School and Public Lands suggested addressing the aforementioned street dedication in the resolution and request the Commissioner

draw up the necessary documents to ratify and effectuate the same, removing the potential for future controversy regarding the validity of the dedication.

IT WAS MOVED by Regent Schaefer, seconded by Regent Thares, to approve and adopt the Resolution set forth in Attachment I, requesting the Commissioner of School and Public Lands to proceed with the easements as stated therein. Motion passed.

A copy of the Resolution Requesting the Grant of Easements to the City of Sioux Falls can be found on pages ____ to ____ of the official minutes.

5-L Exclusion Resolution

DSU President Griffiths explained that the National Defense Security Service is asking for a quorum of the governing Board to have some level of security clearance in addition to certain personnel at DSU. She said that they need a quorum of regents to be cleared and, with that, the Board needs to decide which members will be excluded from the security clearance.

In response to a question about whether one of these regents being excluded should later need to be included, it was confirmed that the Board could do a new resolution allowing their inclusion.

IT WAS MOVED by Regent Bastian, seconded by Regent Morgan, to approve the Exclusion Resolution included as Attachment I.

ROLL CALL VOTE

ROLL CALL:

Adam – AYE
Bastian – AYE
Morgan – AYE
Roberts – AYE
Schaefer – AYE
Thares – AYE
Wink – AYE
Schieffer – AYE
Sutton – AYE

Motion passed.

ACADEMIC AND STUDENT AFFAIRS

6-A BOR Policy 4:10 Revisions – Tenure on Appointment (Second Reading)

Dr. Paul Turman, System Vice President for Academic Affairs, stated that over the past two years the Board of Regents has received a number of requests seeking tenure on appointment for administrators. He explained revisions in Section C.8.3, which have been made to update the policy to align with current practice of asking presidents to have the institutional promotion and tenure committees provide a recommendation when tenure on appointment requests are submitted

to the Board. He said the revisions in Section C.1.3 have been proposed to denote a potential avenue for institutions to allow faculty previously granted tenure at an institution outside the regental system the capacity to go up for review after one year of service to the new institution. No additional changes have been made to the proposed revisions since the approval of the first reading at the May 2017 BOR meeting.

IT WAS MOVED by Regent Morgan, seconded by Regent Adam, to approve the second and final reading of the proposed revisions to BOR Policy 4:10 as presented. Motion passed.

A copy of the proposed revisions to BOR Policy 4:10 – Tenure on Appointment can be found on pages ____ to ____ of the official minutes.

6-B BOR Policy 1:7:2 Revisions – Academic Affairs Council (Second Reading)

Dr. Paul Turman, System Vice President for Academic Affairs, explained that BOR Policy 1:7 identifies the Board’s councils and appointed committees. He said that during the November 2016 Academic Affairs Council (AAC) meeting, the AAC discussed reviews being undertaken by a number of the other councils to update the policy framework for councils’ roles and responsibilities. During its November 2016 and April 2017 meetings, the AAC identified a number of areas within BOR Policy 1:7.2 where emphasis could be added and additional updates/modifications were made for review. AAC members were supportive of the proposed revisions provided in Attachment I of the agenda item. No additional changes have been made to the proposed revisions since the approval of the first reading at the May 2017 BOR meeting.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve the second and final reading of the proposed changes to BOR Policy 1:7:2 - Academic Affairs Council as presented. Motion passed.

A copy of the proposed revisions to BOR Policy 1:7:2 can be found on pages ____ to ____ of the official minutes.

6-C BOR Policy 4:11 Revisions – Rank and Promotion (Second Reading)

Dr. Paul Turman, System Vice President for Academic Affairs, explained that during the 2013 round of COHE negotiations the series of Lecturer and Librarian ranks were created but BOR Policy 4:11 Rank and Promotion was not updated to reflect the changes that were made to the COHE agreement. The proposed revisions seek to align the Rank and Promotion requirements with the current negotiated agreement by establishing three new sections that differentiate the requirements for the Librarian Ranks, Lecturer Ranks, and Research Ranks from the current Professorial Ranks. No additional changes have been made to the proposed revisions since the initial reading of the proposed revisions at the June 2017 BOR meeting.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve the second and final reading of the proposed revisions to BOR Policy 4:11 – Rank and Promotion as presented. Motion passed.

A copy of the proposed revisions to BOR Policy 4:11 can be found on pages ____ to ____ of the official minutes.

6-D BOR Policy 4:43 Revisions – Emeritus Status (Second Reading)

Dr. Paul Turman, System Vice President for Academic Affairs, explained that with the inconsistency in workload and discipline standards across the six Regental institutions, the Academic Affairs Council (AAC) was asked to consider the removal of the formal Board approval for emeritus recognition. Specifically, each campus has developed separate policies/guidelines that manage this process. Some require vetting through a formal committee, and others rely on the Provost's office to submit requests for approval by the Board. Similar processes unfold regarding the application of "distinguished professor" designations at individual campuses.

He said with this in mind the revisions to BOR Policy 4:43 depicted in Attachment I of the item were advanced for discussion and consideration by AAC. Under the proposed revisions, campuses would be responsible for developing their own guidelines/procedures for determining emeritus status, distinguished professor, and/or resolutions of recognition eligibility for its various faculty and staff. These recognitions without formal benefit to faculty/staff would be approved at the institutional level and would not require formal approval by the Board of Regents. No additional changes have been made to the proposed revisions since the approval of the first reading at the June 2017 BOR meeting.

Regent Morgan asked whether the Board would get an annual report of those awarded emeritus status. Dr. Turman said that this could be done as well as a report of the distinguished professors.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve the second and final reading of the proposed revisions to BOR Policy 4:43 – Emeritus Status as presented. Motion passed.

A copy of the proposed revisions to BOR Policy 4:43 can be found on pages ____ to ____ of the official minutes.

6-E BOR Policy 2:3 Revisions – Admissions (Second Reading)

Dr. Paul Turman, System Vice President for Academic Affairs, explained that the Academic Affairs Council (AAC) has received a number of updates related to the Proactive Admission project during several meetings over the past two years. Discussions continue to unfold with the South Dakota Department of Education with a goal of implementing the process for notifying South Dakota high school students in September of their senior year.

He said BOR Policy 2:3 – System Undergraduate Admissions does not currently provide the policy framework that would allow for the admission of high school students just based on their performance on the Smarter Balanced assessment test administered to all South Dakota students at the conclusion of the eleventh grade. To address this issue, revisions have been made to the current admission policy to provide a mechanism for institutional admission personnel to process student applications once they arrive without having to evaluate students against the three other criteria that are currently used to determine admission. The first reading of the proposed revisions was approved by the Board during the June 2017 meeting, and no additional changes have been made to the proposed revisions since the initial reading.

IT WAS MOVED by Regent Morgan, seconded by Regent Bastian, to approve the second and final reading of the proposed revisions to BOR Policy 2:3 – System Undergraduate Admissions as presented. Motion passed.

A copy of the proposed revisions to BOR Policy 2:3 can be found on pages ____ to ____ of the official minutes.

6-F USD Programs Approved for WICHE Graduate Exchange Program

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that the Western Interstate Commission for Higher Education (WICHE) operates the Western Regional Graduate Program (WRGP). The WRGP includes master's and doctoral degree programs that are of demonstrated quality and not widely available in the WICHE region. Students from the WICHE states seeking degrees in these programs may attend approved WRGP programs and pay resident tuition rates; in the case of the new programs from USD, the resident graduate tuition rate is \$314.70/credit hour. WICHE invites universities to nominate programs. This year eight programs were nominated from the University of South Dakota (USD) and approved by WICHE.

Dr. Turman noted that the Board is supposed to approve these programs and the sequence in which that is done is currently unclear. He said he will verify whether the Board has to approve prior to submitting these programs to WICHE.

A copy of the USD Programs approved for WICHE Graduate Exchange Program can be found on pages ____ to ____ of the official minutes.

6-G 2017 Credits to Degree Report

Dr. Paul Turman, System Vice President for Academic Affairs, noted that in October 2011 the Board of Regents adopted a policy change establishing new credit hour limits for undergraduate degree programs. While the regental system previously had observed – by convention, but not as a matter of policy – unofficial requirements of 128 credit hours for bachelor's degree programs and 64 credit hours for associate's degree programs, the above policy change established firm requirements of 120 hours and 60 hours for these respective program types. This report tracks the effects of this policy change by examining the number of credit hours completed by regental graduates in recent years.

In response to the discussion during the retreat the previous day, Dr. Turman said this is a report that can be used to combat some of the arguments presented by critics.

A copy of the Credits to Degree Report can be found on pages ____ to ____ of the official minutes.

6-H Teacher Education Report 2016

Dr. Paul Turman, Vice President for Academic Affairs, noted that this report provides a data-driven snapshot of the five teacher education programs in the public university system (i.e., at BHSU, DSU, NSU, SDSU, and USD). Data are shown for a variety of performance measures, including student enrollments, academic performance, degree completions, graduate placement, and labor force outcomes.

He emphasized that Board policy states that students cannot teach in South Dakota if they cannot pass the PRAXIS exam in their content area.

He recognized the increased ability to retain teacher education candidates over the last several years, from 30% to 52%. Also, he said the year-long residency has matured the candidates and helped them to secure jobs after graduation.

Lastly, he touched on why there are five teacher education programs in the regental system. He said the data bears out that teacher education candidates tend to get jobs near the post-secondary institution they attend. This is critical for the school districts throughout the state.

A copy of the Teacher Education Report 2016 can be found on pages ____ to ____ of the official minutes.

6-I Institutional Items of Information

The Board received Institutional Items of Information submitted by the institutions and special schools.

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

BUDGET AND FINANCE

7-A BOR Policy 5:13 – Fleet Vehicle Usage (First Reading)

Dr. Monte Kramer, System Vice President of Finance & Administration, met with representatives from South Dakota Fleet and Travel Management, the Office of Risk Management, the Bureau of Administration, and General Counsel for the Governor regarding the use of state fleet vehicles. The regental system has been given permission to use state vehicles to support student recruitment and related activities. A Board policy has been drafted to serve as a guide for the campuses and to ensure proper use of state vehicles by the campuses.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the first reading of the new BOR Policy 5:13 – Fleet Vehicle Usage. Motion passed.

A copy of the proposed new BOR Policy 5:13 can be found on pages ____ to ____ of the official minutes.

7-B Building Committee Report

The building committee report was provided to the Board.

A copy of the Building Committee Report can be found on pages ____ to ____ of the official minutes.

7-C Banner Student Update and Funding Proposal

Dr. Monte Kramer, System Vice President of Finance & Administration, proposed utilizing a portion of the System Tuition Pool Reserve to support campus costs to implement the Banner Student Project. The Business Affairs Council (BAC) has endorsed allocating \$200,000 to each campus and RIS, and providing up to \$300,000 in loans to the universities from the system tuition fund. The loans would have to be paid back in FY20 and FY21.

He said the Banner Student project has been launched. The steering committee met for a kick-off meeting. Staffing has also been identified for the functional groups. He explained that he needs Board action on how the central office can financially support the institutions, which includes a combination of grants and loans.

Dr. Kramer said the go-live is projected for roughly 22 months.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to authorize an allocation of \$200,000 to each campus and to RIS, and to make available loans up to \$300,000 per campus from the System Tuition Reserve Fund. Loans would be paid back one-half or more in FY20, and the balance in FY21. Motion passed.

A copy of the Banner Student Update and Funding Proposal can be found on pages ____ to ____ of the official minutes.

7-D FY18 Operating Budgets

Dr. Monte Kramer, System Vice President of Finance & Administration, provided some information about the FY18 operating budget for the six universities, NSU K-12 E-Learning, SDSU Extension, Agricultural Experiment Station, the Sanford School of Medicine, the two special schools, the Office of the Executive Director, and System Issues.

He said these operating budgets took into account the 1.7% decrease to FY17 general fund base or an overall decrease to the general fund base of \$3,675,961. The change in funding of \$3,675,961 includes: base budget cuts totaling (\$1,000,675), a reduction of (\$907,302) in M&R base funding, a decrease of (\$2,589,441) in utility funding, \$412,798 increase for the growth in the South Dakota Opportunity Scholarship, \$145,383 increase for the Postsecondary Scholarship Fund, \$146,493 increase for the K-12 Teacher's Salary increase at the Special Schools, \$120,286 increase to the Dakota Lakes Research Farm and a decrease of (\$3,502) for the lease payment adjustments.

IT WAS MOVED by Regent Roberts, seconded by Regent Bastian, to approve the FY18 operating budgets as shown in Attachment II. Motion passed.

A copy of the FY18 Operating Budgets can be found on pages ____ to ____ of the official minutes.

7-E FY18 Minnesota Reciprocity

Regent Sutton asked Regent Schieffer to take the role of Chair for this agenda item as he will abstain from the discussion and vote.

IT WAS MOVED by Regent Roberts, seconded by Regent Schaefer, to approve the Minnesota reciprocity rates for FY18 and authorize the Executive Director to execute the Memorandum of Understanding. Motion passed, Regent Sutton abstained.

A copy of the FY18 Minnesota Reciprocity can be found on pages ____ to ____ of the official minutes.

7-F FY19 Budget Request

Dr. Monte Kramer, System Vice President of Finance & Administration, presented the final recommendation of the Board regarding the budget priorities for FY19 based on the Board's discussion during its planning session the previous day. The list of priorities was distributed at the meeting in the revised Attachment I.

Dr. Kramer clarified that the narrative about the REED Network would include information about Phase 3, addressing western South Dakota. The group queried whether the federal government would be willing to participate in the cost that would run the cable from eastern South Dakota to western South Dakota. Dr. Kramer said that given the federal funding for SURF and the need for the high speed, there may be an opportunity for federal funding, but further investigation is needed to determine if there is a real possibility.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the FY19 Budget Request to include the priorities identified in the attachment, to direct the staff to prepare and submit the FY19 Budget Request detail and justification to the Bureau of Finance and Management, and to refine any budget request figures and narratives as necessary. Any needs for federal and other expenditure authority, full-time equivalent (FTE), South Dakota Opportunity Scholarship and utility adjustment requests should be included. Motion passed.

A copy of the FY19 Budget Request can be found on pages ____ to ____ of the official minutes.

7-G SDSU Lincoln Hall Renovation Preliminary Facility Statement

Dr. Monte Kramer, System Vice President of Finance & Administration, explained that South Dakota State University (SDSU) requests approval of its Preliminary Facility Statement to begin planning for the renovation of Lincoln Hall that currently houses the music department. The music department will move to the newly completed Performing Arts Center Addition in the fall of 2019 freeing up approximately 18,000 net square feet of classroom and office space in Lincoln Hall. He noted that if approved, a regent would need to be appointed to the building committee for the project.

Dr. Kramer said the HEFF money is from SDSU's M&R allocation.

IT WAS MOVED by Regent Roberts, seconded by Regent Schieffer, to approve SDSU's Preliminary Facility Statement to plan for the renovation of Lincoln Hall. Motion passed.

A copy of the SDSU Lincoln Hall Renovation Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

7-H SDSU Pugsley Center Renovation Preliminary Facility Statement

Dr. Monte Kramer, System Vice President of Finance & Administration, explained that South Dakota State University (SDSU) requests approval of its Preliminary Facility Statement to begin planning for the renovation of the Pugsley Center. Currently, the music and theater departments occupy approximately 13,000 net square feet within the Pugsley Center, including Christie Ballroom which is more than 50% of this space. In the fall of 2019, the music and theater departments at SDSU will move to the newly completed Performing Arts Center Addition. This will create an opportunity for SDSU to maximize the use of the existing Pugsley Center space, upgrade the building's performance, and enhance opportunities for academic use. He noted that if approved, a regent would need to be appointed to the building committee for the project.

IT WAS MOVED by Regent Roberts, seconded by Regent Wink, to approve SDSU's Preliminary Facility Statement to plan for the renovation of Pugsley Center. Motion passed.

A copy of the SDSU Pugsley Center Renovation Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

7-I BOR Policy 5:5:4 – Tuition and Fees: Fees (First Reading)

Dr. Monte Kramer, System Vice President of Finance & Administration, reviewed the changes to BOR Policy 5:5:4 – Tuition and Fees: Fees. The substantive changes related to the student approval process when the general activity fee (GAF) is increased above inflation. The policy has also been reformatted to conform with the new format for Board policies.

Regent Bastian asked about the NSU Exchange Program Fee. Dr. Kramer explained that NSU had been charging their exchange students the GAF and USF fees. When rolled into tuition, NSU started charging the exchange fee which is equivalent to the USF and GAF fee. The other schools do not charge a fee because they have a balanced exchange program where the students pay their home institution tuition and fees.

IT WAS MOVED by Regent Roberts, seconded by Regent Wink, to approve the first reading of the revisions to BOR Policy 5:5:4 – Tuition and Fees: Fees. Motion passed.

A copy of the proposed revisions to BOR Policy 5:5:4 can be found on pages ____ to ____ of the official minutes.

7-J BOR Policy 6:4 – Capital Improvements (Emergency Approval)

Dr. Monte Kramer, System Vice President of Finance & Administration, explained this policy has been updated to conform with the new format for Board policies, which includes the addition of a purpose and definition sections. No substantive changes have been made to BOR Policy 6:4 – Capital Improvements. The action indicates emergency approval to avoid two readings considering that the only changes relate to formatting.

IT WAS MOVED by Regent Roberts, seconded by Regent Wink, to approve the first and final reading of BOR Policy 6:4 – Capital Improvements. Motion passed.

A copy of the proposed revisions to BOR Policy 6:4 can be found on pages ____ to ____ of the official minutes.

7-K BOR Policy 6:5 – Building Committee (Emergency Approval)

Dr. Monte Kramer, System Vice President of Finance & Administration, stated this policy has been updated to include the purpose and definitions and put in the new format. No substantive changes have been made to BOR Policy 6:5 – Building Committee. The action indicates emergency approval to avoid two readings considering that the only changes relate to formatting.

IT WAS MOVED by Regent Roberts, seconded by Regent Bastian, to approve the first and final reading of BOR Policy 6:5 – Building Committee. Motion passed.

A copy of the proposed revisions to BOR Policy 6:5 can be found on pages ____ to ____ of the official minutes.

7-L BOR Policy 6:6 – Maintenance and Repair (Emergency Approval)

Dr. Monte Kramer, System Vice President of Finance & Administration, stated this policy has been updated to include the purpose of the policy and definitions and put in the new format. He said some clarification has been added to the policy. The action indicates emergency approval to avoid two readings considering that the majority of changes relate to formatting.

IT WAS MOVED by Regent Roberts, seconded by Regent Schieffer, to approve the first and final reading to BOR Policy 6:6 – Maintenance and Repair. Motion passed.

A copy of the proposed revisions to BOR Policy 6:6 can be found on pages ____ to ____ of the official minutes.

7-M BOR Policy 6:7 – Building Plaques (Emergency Approval)

Dr. Monte Kramer, System Vice President of Finance & Administration, stated this policy has been updated to include the purpose of the policy and definitions and put in the new format. The action indicates emergency approval to avoid two readings considering that the only changes relate to formatting.

IT WAS MOVED by Regent Roberts, seconded by Regent Schieffer, to approve the first and final reading to BOR Policy 6:7 – Building Plaques. Motion passed.

A copy of the proposed revisions to BOR Policy 6:7 can be found on pages ____ to ____ of the official minutes.

7-N Resolution to Remove USD Commons from the Auxiliary Facilities System

Dr. Monte Kramer, System Vice President of Finance & Administration, asked the Board to authorize the removal of the Commons, a facility on the campus of the University of South Dakota, from the University of South Dakota Housing and Auxiliary Facilities System (the “System”) created pursuant to the Amended and Restated Bond Resolution adopted by the Board on October

21, 2004, as amended and supplemented. The Commons was formally the dining facility for the residence hall complex comprised of Beede/Mickelson and Richardson/Olson halls. The Commons closed the summer of 2014 when the Muenster University Center food service operations were expanded.

IT WAS MOVED by Regent Roberts, seconded by Regent Bastian, to remove the USD Commons from the Auxiliary Facilities System.

ROLL CALL:

Adam – AYE
Bastian – AYE
Morgan – AYE
Roberts – AYE
Schaefer – AYE
Thares – AYE
Wink – AYE
Schieffer – AYE
Sutton – AYE

Motion passed.

A copy of the Resolution to Rename USD Commons from the Auxiliary Facilities System can be found on pages ____ to ____ of the official minutes.

ADJOURN

IT WAS MOVED by Regent Bastian, seconded by Regent Morgan to adjourn at 4:20 p.m.

State Authorities/Boards/Commissions - Annual Disclosure Form

ANNUAL DISCLOSURE FOR AUTHORITY/BOARD/COMMISSION MEMBER
PURSUANT TO SDCL CHAPTER 3-23

THIS IS A PUBLIC DOCUMENT

Name of Member: Bob Sutton

Name of Board, Authority or Commission: South Dakota Board of Regents

The Member shall disclose below any contract in which the Member has an interest or from which the Member derives a direct benefit if the contract is:

1. With the state agency to which the Member's board, authority or commission is attached for reporting or oversight purposes and which contract requires the expenditure of government funds;
2. With the state and which contract requires the approval of the Member's board, authority or commission and the expenditure of government funds; or
3. With a political subdivision of the state if the political subdivision approves the contract and:
 - a. Is under the regulatory oversight of the authority, board, or commission, or
 - b. Is under the regulatory oversight of the agency to which the Member's board, authority or commission is attached.

The Member shall disclose the contract even though no additional authorization is needed from the Member's board, authority or commission to have an interest or derive a benefit from the contract.

The Member shall also identify every entity in which the Member possesses an ownership interest of five percent or greater if:

1. The entity receives grant money from the State, either directly or by a pass-through grant or
2. The entity contracts with the State or any political subdivision for services.

1. Contracts in which you have an interest pursuant to SDCL Chapter 3-23 and which do not violate any other provision of law - Provide the following for each contract in which you have, or will have, an interest. For further information see SDCL 3-23-2.1 and 3-23-3.1.

Description of the contract	Parties	Description of your interest/role in the contract	Date contract was previously disclosed; if applicable
Clinical teaching services (physician assistant) from 6/19/17 - 6/30/18, not to exceed \$34,375 (Contract Number U18-087).	Avera Queen of Peace and the University of South Dakota	I am an employee of Avera Health. I have no active role in the contract.	N/A
Clinical teaching services (physician assistant) from 6/19/17 - 6/30/18, not to exceed \$6,375 (Contract Pending).	Avera Sacred Heart Hospital and the University of South Dakota	I am an employee of Avera Health. I have no active role in the contract.	N/A
Clinical teaching services (physician assistant) from 7/1/17 - 6/30/18, not to exceed \$4,250 (Contract Pending).	Avera St. Benedict Health Center and the University of South Dakota	I am an employee of Avera Health. I have no active role in the contract.	N/A
Clinical teaching services (physician assistant) from 6/19/17 - 6/30/18, not to exceed \$6,375 (Contract Number U18-103).	Avera St. Luke's and the University of South Dakota	I am employee of Avera Health. I have no active role in the contract.	N/A
Medical student teaching services from 7/1/17 - 6/30/18, not to exceed \$715,000 (Contract Number U18-196).	Avera McKennan Hospital & Health Center and the University of South Dakota	I am an employee of Avera Health. I have no active role in the contract.	N/A
Medical student teaching services from 7/1/17 - 6/30/18, not to exceed \$4,600 (Contract Number U18-125).	Avera Queen of Peace Hospital and the University of South Dakota	I am an employee of Avera Health. I have no active role in the contract.	N/A
Medical student teaching services from 7/1/17 - 6/30/18, not to exceed \$7,100 (Contract Number U18-117).	Avera St. Luke's Hospital and the University of South Dakota	I am an employee of Avera Health. I have no active role in the contract.	N/A
Clinical teaching agreement - Pillar 3 Coordinator from 7/1/17 - 6/30/18, not to exceed \$82,000 (Contract Number U18-168).	Avera McKennan Hospital and University Health Center and the University of South Dakota	I am an employee of Avera Health. I have no active role in the contract.	N/A

Description of the contract	Parties	Description of your interest/role in the contract	Date contract was previously disclosed; if applicable
Clinical teaching services (physician assistant) from 6/19/17 - 6/30/18, not to exceed \$138,075 (Contract Number U18-177).	Avera McKennan and the University of South Dakota	I am an employee of Avera Health. I have no active role in the contract.	N/A
Medical student teaching services from 7/1/17 - 6/30/18, not to exceed \$33,000 (Contract Pending).	Avera Sacred Heart Hospital and the University of South Dakota	I am an employee of Avera Health. I have no active role in the contract.	N/A
Nurse practitioner student preceptor payments for services rendered by the clinical agency from 5/1/16 - 4/30/18, not to exceed \$20,000 (Contract Number E0014318).	Avera St. Luke's and South Dakota State University	I am an employee of Avera Health. I have no active role in the contract.	6/29/16 (writing); 6/30/16 (meeting)
Research sub-award(s) pertaining to the Center for Genetics and Behavioral Health (FY18 - \$198,777; FY19 - \$196,760; FY20 - \$209,250; FY21 - \$216,514; FY22 - \$242,625)	Avera Institute for Human Genetics and the University of South Dakota	I am an employee of Avera Health. I have no active role in the contract.	N/A
Donations, sponsorship and other support provided by Avera McKennan to SDSU for symposiums, pharmacy program and software in 2016/2017 academic year totaled \$346,281.47.	Avera McKennan and South Dakota State University	I am an employee of Avera Health. I have no active role in these contracts.	8/2/16 (writing); 8/4/16 (meeting)
Donations, sponsorship and other support provided by Avera Health to SDSU for scholarships, career fair(s) and pledge(s) in 2016/2017 academic year totaled \$1,505,775.	Avera Health and South Dakota State University	I am an employee of Avera Health. I have no active role in these contracts, with the exception of the career fair sponsorship in the amount of \$775, which I authorized in my capacity as an employee of Avera Health.	8/2/16 (writing); 8/4/16 (meeting)

Description of the contract	Parties	Description of your interest/role in the contract	Date contract was previously disclosed; if applicable
Donations, sponsorship and other support provided by Avera McKennan to USD for physician CME, donations, health clinics, lab/research and residency programs in 2016/2017 academic year totaled \$4,097,528.32.	Avera McKennan and the University of South Dakota	I am an employee of Avera Health. I have no active role in these contracts.	8/2/16 (writing); 8/4/16 (meeting)
Donations, sponsorship and other support provided by Avera Sacred Heart to USD for scholarships and residency programs in 2016/2017 academic year totaled \$97,817.72.	Avera Sacred Heart and the University of South Dakota	I am an employee of Avera Health. I have no active role in these contracts.	8/2/16 (writing); 8/4/16 (meeting)
Donations, sponsorship and other support provided by Avera Health to USD for scholarships and career fair(s) in 2016/2017 academic year totaled \$216,100.	Avera Health and the University of South Dakota	I am an employee of Avera Health. I have no active role in these contracts, with the exception of the career fair sponsorship in the amount of \$100, which I authorized in my capacity as an employee of Avera Health.	8/2/16 (writing); 8/4/16 (meeting)
Donations, sponsorship and other support provided by Avera St. Mary's to NSU for music camp in 2016/2017 academic year totaled \$500.	Avera St. Mary's and Northern State University	I am an employee of Avera Health. I have no active role in the contract.	8/2/16 (writing); 8/4/16 (meeting)
Donations, sponsorship and other support provided by Avera St. Luke's to NSU for Gypsy Days, Northern Nights and pledge(s) in 2016/2017 academic year totaled \$151,700.	Avera St. Luke's and Northern State University	I am an employee of Avera Health. I have no active role in these contracts.	8/2/16 (writing); 8/4/16 (meeting)

Description of the contract	Parties	Description of your interest/role in the contract	Date contract was previously disclosed; if applicable
Donations, sponsorship and other support provided by Avera Health to NSU for scholarships and career fair(s) in 2016/2017 academic year totaled \$4,076.50.	Avera Health and Northern State University	I am an employee of Avera Health. I have no active role in these contracts, with the exception of the career fair sponsorship in the amount of \$76.50, which I authorize in my capacity as an employee of Avera Health.	8/2/16 (writing); 8/4/16 (meeting)
Donations, sponsorship and other support provided by Avera Health to DSU for career fair(s) in 2016/2017 academic year totaled \$380.	Avera Health and Dakota State University	I am an employee of Avera Health. I authorized the career fair sponsorship in my capacity as an employee of Avera Health.	8/2/16 (writing); 8/4/16 (meeting)

add row

2. Contracts in which you have a direct benefit pursuant to SDCL Chapter 3-23 - Provide the following for each contract from which you derive, or will derive, a direct benefit. For more information see SDCL 3-23-2, 3-23-2.2 and 3-23-3.1.

Description of the contract	Parties	Description of the direct benefit	Date contract was authorized

add row

3. Entities in which you possess an ownership interest of five percent or more that receive grant money from the State, either directly or by a pass-through grant, or that contract with the State or any political subdivision for services – Provide the following for each such entity. See SDCL 3-23-3.1.

Description of the contract or grant	Party in which you possess the interest	State agency or subdivision

add row

The member shall complete a separate authorization request for any contract identified above that requires authorization from the Member's board, authority or commission in order for the Member to legally derive a direct benefit.

Signature of Member:



Date:

8-9-17