

**BOARD OF REGENTS
MINUTES OF THE MEETING
June 27-29, 2017**

The South Dakota Board of Regents met on June 27-29, 2017 at Northern State University in Aberdeen with the following members present:

Bob Sutton, President
Kevin Schieffer, Vice President
John Bastian, Secretary
Conrad Adam, Regent
Harvey Jewett, 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, General Counsel; Paul Turman, System Vice President for Academic Affairs; Nathan Lukkes, System Assistant Vice President for Research and Economic Development; Michele Anderson, Internal Auditor; Kayla Bastian, Director of Human Resources; Monte Kramer, System Vice President of Finance and Administration; Dave Hansen, Director of Information Technology; Molly Hall-Martin, Director of Student Preparation & Success; Molly Weisgram; System Director of Student Affairs and Board Secretary; Janelle Toman, Director of Communications; Leah Ahartz, System Budget Manager; Jay Perry, Assistant Vice President for Academic Affairs; Janice Minder, Consultant; 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; Mike Isaacson, Kathy Johnson, Chris Crawford, Lois Flagstad, BHSU; Heather Forney, Pat Mahon, Steve Malott, SDSM&T; Stacy Krusemark, Judy Dittman, DSU; Claudean Hluchy, SDSBVI/SDSD; Veronica Paulson, Jeremy Reed, NSU; Kim Grieve, Sheila Gestring, Roberta Ambur, Jim Moran, USD; Dennis Hedge, Wesley Tschetter, Dean Kattelmann, SDSU; Brittini Skipper, BFM; Jeff Mehlhaff, LRC; Alan Aldrich, COHE; Julie Johnson and other members of the Regental system and public and media.

TUESDAY, JUNE 27, 2017

FY19 INFORMAL BUDGET HEARINGS

Regent Bob Sutton called the meeting to order at 2:45 p.m. with the following members in attendance:

ROLL CALL:

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

Regent Sutton introduced new regent Joan Wink. Regent Wink said she very much looks forward to the opportunity to serve on the Board of Regents. She thanked the staff for their support and orientation. She said she looks forward to working with all others who take part in these meetings.

Dr. Mike Rush, BOR Executive Director, explained that in addition to advancing a budget request to the Governor, the informal budget hearings allow the Board to do an inventory of the institutions' top priorities. Before starting the informal budget hearing schedule, he introduced Brittni Skipper, BOR budget analyst from the Bureau of Finance and Management, and Jeff Mehlhaff, analyst from the Legislative Research Council.

Introductions: Dr. Monte Kramer, System Vice President for Finance & Administration, explained that the Board will hear from each institution. He said the Board's goal is to listen for system initiatives or institution-specific budget requests that should be forwarded onto the Governor as a formal budget request. He said the Board will further deliberate and finalize the information at its August meeting.

South Dakota State University, SDSU Extension, and Agricultural Experiment Station: President Barry Dunn; Provost/Executive Vice President for Academic Affairs Dennis Hedge; and Interim Director of SDSU Extension Karla Trautman reviewed budget priorities for South Dakota State University, SDSU Extension, and the Agricultural Experiment Station.

University of South Dakota and Sanford School of Medicine: President James Abbott; Vice President of Finance/CFO Sheila Gestring; Vice President for Health Affairs/Dean of Sanford School of Medicine Mary Nettleman; Vice President of Administration and Information Technology Roberta Ambur; Provost/Vice President of Academic Affairs Jim Moran; and Vice President of Student Services and Dean of Students Kimberly Grieve overviewed budget priorities for the University of South Dakota and the Sanford School of Medicine.

At the conclusion of USD's presentation, Regent Schieffer suggested that staff focus on areas where the system and individual institutions could affect cost savings and come back to the legislature with what the system is trying to do in this regard. He noted the perception that the institutions are not using their money efficiently. He said being forthright with the legislature and reducing this information to a document may build credibility. He would like this to be an August retreat item.

Regent Jewett said there is a story to tell and this has been done in past years using a document called "Reinvestment through Efficiencies." That said, the system has not done a good job of demonstrating what we have done because it continues to have a credibility problem. He explained that the system has seen \$70 million dollars of reductions over the last several years but this is often not recognized.

IT WAS MOVED by Regent Bastian, seconded by Regent Schieffer, that the Board of Regents dissolve into Executive Session at 6:00 p.m. on Tuesday, June 27, to discuss personnel matters and adjourn at 7:30 p.m.; that it reconvene in executive session at 7:00 a.m. on Wednesday, June 28, 2017, to discuss personnel matters and rise at 8:30 a.m. to resume the regular order of business; that it reconvene in executive session at 2:15 p.m. to discuss personnel matters, pending and prospective litigation, contractual matters, marketing or pricing strategies by a board of a business owned by the state when public discussion may be harmful to the competitive position of the business, and to consult with legal counsel and rise from executive session at 5:15 p.m. to resume the regular order of business; and that it report its deliberations while in executive session during the portion of the regular order of business that begins at 9:00 a.m. on Thursday, June 29, 2017. Motion passed.

CAMPUS COMMUNITY FORUM

The Board responded to questions from the campus community.

WEDNESDAY, JUNE 28, 2017

Regent Bob Sutton reconvened the meeting of the Board of Regents at 8:45 a.m.

FY19 INFORMAL BUDGET HEARINGS – CONTINUED

South Dakota School for the Blind and Visually Impaired & South Dakota School for the Deaf: Superintendent Marje Kaiser overviewed the budget priority for the two special schools. She thanked the Board for its support in achieving salary increases for the teachers at the special schools during the last legislative session that were inadvertently left out of the legislation during the 2016 Legislative Session that increased the salaries of K-12 teachers.

South Dakota School of Mines & Technology: Interim President Jan Puszynski reviewed budget priorities for South Dakota School of Mines & Technology.

Dakota State University: President José-Marie Griffiths; Vice President for Business and Administrative Services Stacy Krusemark; and Vice President for Technology & CIO David Overby reviewed budget priorities for Dakota State University.

Northern State University: President Tim Downs and Vice President of Finance and Administration Veronica Paulson reviewed budget priorities for Northern State University.

Black Hills State University: President Tom Jackson Jr.; Vice President for Finance & Administration Kathy Johnson; Provost and Vice President for Academic Affairs Chris Crawford; and Vice President for Enrollment and Student Affairs Lois Flagstad reviewed budget priorities for Black Hills State University and Black Hills State University – Rapid City.

South Dakota Board of Regents' System: Executive Director Dr. Mike Rush; System Vice President for Finance & Administration Monte Kramer; and System Chief Networking and Security Officer Claude Garelik provided an overview of system-wide priorities.

Board Deliberations: Executive Director Mike Rush provided a handout with a summary of all the budget request amounts. He asked the Board to consider how it would like the Board office to proceed as it prepares the draft BOR budget request for additional discussion in August. The Board asked that the summary sheet differentiate between requests for spending authority versus requests for money. Regent Sutton noted that the system would be better served if it grouped similar requests together, such as mathematics success programs, needs-based scholarships, salary policy, and technology security review. The regents agreed and asked staff to identify where there is overlap for the proposal discussed in August. Dr. Rush asked for guidance about the system-wide requests: needs-based scholarship, maintenance & repair recovery money, and 100G upgrade. Regents generally agreed that all three priorities were important and if the Board does not continue to make the case for them, no one else will.

A copy of the institutions' budget presentations can be found on pages ____ to ____ of the official minutes.

The Board dissolved into Executive Session at 2:15 p.m.

THURSDAY, JUNE 29, 2017

BREAKFAST MEETING WITH AREA LEGISLATORS

Representative Susan Wismer (District 1) and Senator Al Novstrup (District 3) met with Board members to informally discuss topics of mutual interest.

BOARD WORK

Recognizing Regent Harvey Jewett's last meeting, Regent Bob Sutton presented Regent Jewett a gavel box set on behalf of the Board. To honor Regent Jewett and recognize his 10 years of leadership as Board president, he asked Regent Jewett to assume the chairmanship for the meeting.

Regent Jewett resumed the meeting at 9:00 a.m.

6-A Approval of the Agenda

IT WAS MOVED by Regent Bastian, seconded by Regent Schieffer, to approve the agenda with the following changes: (1) move agenda items 7- F, 7-G, and 7-H off the consent agenda and onto the Academic and Student Affairs portion of the agenda, (2) there will be no student federation report as part of item 9-A, (3) addition of item 8-J Career Pathways, and (4) note that item 9-L will be taken up at 11 a.m. Motion passed.

6-B Declaration of Conflicts

No conflicts reported.

6-C Approval of the Minutes

IT WAS MOVED by Regent Morgan, seconded by Regent Sutton, to approve the minutes of the meeting on May 9-11, 2017. Motion passed.

6-D Rolling Calendar

IT WAS MOVED by Regent Schaefer, seconded by Regent Roberts, to approve the date and location of next year's Board of Regents meeting to be held on June 26-28, 2018, at the University of South Dakota in Vermillion. Motion passed.

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

CONSENT AGENDA

Regent Jewett reminded the group that agenda items 7-F, 7-G, and 7-H were taken off the consent agenda. He explained that the consent agenda will be approved on a single vote.

Dr. Rush noted that the attachment in new certificate item 7-A(2) was updated to include one additional elective course.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to approve the consent agenda items 7-A through 7-O, with the exception of items 7-F, 7-G, and 7-H. Motion passed.

CONSENT - ACADEMIC & STUDENT AFFAIRS

7-A(1) New Certificate Requests – DSU – Digital Humanities (Graduate)

Approve Dakota State University's graduate certificate in Digital Humanities as described in Attachment I.

A copy of the DSU's request for a graduate certificate in Digital Humanities can be found on pages ____ to ____ of the official minutes.

7-A(2) New Certificate Requests – SDSU – Workplace Intercultural Competence (Undergrad)

Approve South Dakota State University's undergraduate certificate in Workplace Intercultural Competence as described in Attachment I.

A copy of SDSU's request for an undergraduate certificate in Workplace Intercultural Competence can be found on pages ____ to ____ of the official minutes.

7-A(3) New Certificate Requests – USD – Communication and Leadership (Undergrad)

Approve the University of South Dakota's undergraduate certificate in Communication and Leadership as described in Attachment I.

A copy of USD's New Certificate Requests for Communication and Leadership (Undergrad) can be found on pages ____ to ____ of the official minutes.

7-A(4) New Certificate Requests – USD – Healthcare and Leadership (Undergrad)

Approve the University of South Dakota's request for an undergraduate certificate in Healthcare and Leadership as described in Attachment I.

A copy of USD's request for an undergraduate certificate in Healthcare and Leadership can be found on pages ____ to ____ of the official minutes.

7-A(5) New Certificate Requests – USD – Management (Undergrad)

Approve the University of South Dakota's request for an undergraduate certificate in Management as described in Attachment I.

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

7-A(6) New Certificate Requests – USD – Personnel Supervision (Undergrad)

Approve the University of South Dakota's request for an undergraduate certificate in Personnel Supervision as described in Attachment I.

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

7-A(7) New Certificate Requests – USD – Small Business Entrepreneurship (Undergrad)

Approve the University of South Dakota's request for an undergraduate certificate in Small Business Entrepreneurship as described in Attachment I.

A copy of USD's request for an undergraduate certificate in Small Business Entrepreneurship can be found on pages ____ to ____ of the official minutes.

7-A(8) New Certificate Requests – USD – Science, Technology and Math Pedagogy (Graduate)

Approve the University of South Dakota's request for a graduate certificate in Science, Technology and Math Pedagogy.

A copy of USD's request for a graduate certificate in Science, Technology and Math Pedagogy can be found on pages ____ to ____ of the official minutes.

7-B(1) New Specialization Request – USD – Bioinformatics (Biology, PhD)

Approve the University of South Dakota's Bioinformatics Specialization in the Biological Sciences, Ph.D., program as described in Attachment I.

A copy of USD's new specialization request for Bioinformatics (Biology, PhD) can be found on pages ____ to ____ of the official minutes.

7-B(2) New Specialization Request – USD – Conservation and Biodiversity (Biology, MS)

Approve the University of South Dakota's Conservation and Biodiversity Specialization in the MS in Biology program as described in Attachment I.

A copy of USD's new specialization request for Conservation and Biodiversity (Biology, MS) can be found on pages ____ to ____ of the official minutes.

7-B(3) New Specialization Request – USD Integrative Biology (Biology, PhD)

Approve the University of South Dakota's Integrative Biology Specialization in the Biological Sciences, Ph.D., program as described in Attachment I.

A copy of USD's new specialization request for Integrative Biology (Biology, PhD) can be found on pages ____ to ____ of the official minutes.

7-C Agreements on Academic Cooperation – SDSU

Approve the Agreement on Academic Cooperation between South Dakota State University and Dalian Polytechnic University; and the agreement on academic cooperation with South Dakota State University and Jiangnan University.

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

7-D Revisions to Terminal Degrees Table – SDSU & USD

Approve the proposed revisions to the Terminal Degrees Table as provided in Attachment I for South Dakota State University and the University of South Dakota.

A copy of the revisions to the Terminal Degrees Table can be found on pages ____ to ____ of the official minutes.

7-E Inactive Status and Program Termination Requests – USD

Approve University of South Dakota's requests to terminate the MS in Occupational Therapy; Information Technology Consultant Academy Undergraduate Certificate; and Health (Teaching) Minor.

A copy of USD's Inactive Status and Program Termination Requests can be found on pages ____ to ____ of the official minutes.

7-F BHSU Naming Request – Jace DeCory Center for American Indian Studies

Moved off consent agenda to Academic and Student Affairs

7-G BHSU Naming Request – Lionel R. Bordeaux Residence Hall

Moved off consent agenda to Academic and Student Affairs

7-H USD Naming Request – Nolop Institute for Medical Biology

Moved off consent agenda to Academic and Student Affairs

7-I(1) Joint Powers Agreement – SDSU & Dept. of Agriculture

Approve the Joint Powers Agreement between the South Dakota Department of Agriculture and South Dakota State University as set forth in Attachment I and the subsequent amendment thereto set forth in Attachment II.

A copy of the Joint Powers Agreement between the SD Department of Agriculture and SDSU can be found on pages ____ to ____ of the official minutes.

7-I(2) Joint Powers Agreement – SDSU & Dept. of Environmental and Natural Resources

Approve the Joint Powers Agreement between the South Dakota Department of Environment and Natural Resources and South Dakota State University as set forth in Attachment I.

A copy of the Joint Powers Agreement between the SD Department of Environmental and Natural Resources and SDSU can be found on pages ____ to ____ of the official minutes.

CONSENT – BUDGET & FINANCE

7 –J Memorandum of Understanding – SDBOR & SDSU Alumni Association, Inc

Approve the Memorandum of Understanding between the South Dakota Board of Regents and the South Dakota State University Alumni Association, Inc.

A copy of the Memorandum of Understanding between the SDBOR & SDSU Alumni Association, Inc. can be found on pages ____ to ____ of the official minutes.

7-K M&R Projects

Approve the requested maintenance and repair project as described in the item and approved by the executive director as emergencies.

A copy of the M&R Projects can be found on pages ____ to ____ of the official minutes.

7-L FY18 HEFF M&R Projects

Approve FY18 HEFF M&R allocations and the requested projects.

A copy of the FY18 HEFF M&R Projects can be found on pages ____ to ____ of the official minutes.

7-M FY18 General Fund M&R Projects

Approve FY18 General Fund maintenance and repairs allocations and the requested projects as listed in the item.

A copy of the FY18 General Fund M&R Projects can be found on pages ____ to ____ of the official minutes.

7-N BOR Policy 5:5:1 – Tuition & Fees: On-Campus Tuition (Emergency Approval)

Approve the proposed changes to BOR Policy 5:5:1 – Tuition & Fees: On-Campus Tuition (Emergency Approval). The purpose of the policy and definitions were updated.

A copy of the BOR Policy 5:5:1 – Tuition & Fees: On-Campus Tuition (Emergency Approval) can be found of pages ____ to ____ of the official minutes.

7-O BOR Policy 5:5:2 – Tuition & Fees: Off-Campus Tuition (Emergency Approval)

Approve the proposed changes to BOR Policy 5:5:2 – Tuition & Fees: Off-Campus Tuition (Emergency Approval). The purpose of the policy and definitions were updated.

A copy of the BOR Policy 5:5:2 – Tuition & Fees: Off-Campus Tuition (Emergency Approval) can be found of pages ____ to ____ of the official minutes.

PLANNING & RESOURCE DEVELOPMENT

8-A Welcome and Presentation by NSU President Timothy Downs

President Timothy Downs welcomed the attendees of the Board of Regents meeting to NSU. He recognized the long-time service of Regent Jewett. He also announced new NSU employees: Director of Communications and Marketing Justin Fraase; Director of Institutional Research and

Assessment Brenda Mammenga; Dean of the School of Business Timothy Mantz; and Vice President of Enrollment Management and Student Affairs Jeremy Reed. Dr. Downs provided updates about the institution including information about facilities, enrollment management, HLC accreditation, etc.

8-B Student Organization Awards

Checka Leinwall, NSU Associate Vice President for Student Affairs, introduced the Student Organization Awards. The Award for Academic Excellence for 2016 was presented to the Speech & Debate Team. The Award for Community Service for 2016 was presented to the Collegians in Christ's Service (C.I.C.S.) Lutheran Campus Ministry. The Award for Organizational Leadership for 2016 was presented to the Korean Student Association.

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

8-C Reports on Individual Regent Activities

Regent Sutton said he recently attended a board chair leadership training in Washington, D.C. He said he took a lot from the meeting and looks forward to sharing the information with the regents in the near future. During that meeting, he said he learned that South Dakota is the oldest Regental system in the country. South Dakota was the first state to organize a Regental system that is still in operation today.

8-D Reports from Individual Presidents and Superintendents

DSU President José-Marie Griffiths introduced the institution's new provost Dr. Scott McKay.

SDSU President Dunn introduced Dr. Daniel Scholl as the institution's new vice president of research and economic development.

8-E Report and Actions of Executive Session

Upon convening at 6:00 p.m. on Tuesday, June 27, 2017, the Board dissolved into executive session to discuss personnel matters before adjourning at 7:30 p.m. At 7:00 a.m. on Wednesday, June 28, 2017, the Board reconvened in executive session to discuss personnel matters before rising at 8:30 a.m. to resume the regular order of business. The Board reconvened in executive session at 2:15 p.m. to discuss personnel matters, pending and prospective litigation, contractual matters, marketing or pricing strategies by a board of a business owned by the state when public discussion may be harmful to the competitive position of the business, and to consult with legal counsel, before rising from executive session to resume the regular order of business and report its deliberations while in executive session. 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 Schaefer, that the Board approve directions given to the executive director and the general counsel with respect to matters discussed in executive session, that it:

1. Approve the leave requests for Rajesh K. Sani (SDSM&T) and Janet Miller (SDSU); and the cancellation of the leave request for Dr. Larry Stetler (SDSM&T) presented at the May 2017 BOR Meeting.
2. Approve the requests to grant tenure to Dr. Pierre Larochelle (SDSM&T), Dr. Jeffrey Woldstad (SDSM&T), and Dr. Michael Krueger (USD).
3. Approve the request for a one (1) year extension of time for tenure consideration for Jessica Garcia Fritz (SDSU).
4. Award the title of Professor Emerita of Health and Nutritional Sciences for Dr. Patty Hacker (SDSU). The resolution of recognition can be found on pages ____ to ____ of the official minutes.
5. Approve the appointment of Dr. Daniel Scholl as the new vice president for research and economic development at SDSU at the annualized salary of \$225,000 effective July 1, 2017.
6. 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.

8-F Report of the Executive Director

Dr. Mike Rush reported that during the board chair leadership conference in Washington, D.C., he and Regent Sutton were able to have dinner with past President of the South Dakota School of Mines & Technology, Heather Wilson, who has recently assumed the role of Secretary of the U.S. Airforce.

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

8-G NSU Foundation Report

Todd Jorde, President/CEO of the NSU Foundation, introduced his colleague Jon Olson, Associate Vice President of Development at the NSU Foundation. He provided the Board information about recent Foundation activities and current assets.

A copy of the NSU Foundation Report can be found on pages ____ to ____ of the official minutes.

8-H University Center – Sioux Falls Consultant’s Report

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that in March 2017 the consulting firm FutureWorks began work on behalf of the University Center – Sioux Falls (UC-SF) and the Sioux Falls community. The firm’s charge was to: 1) offer a new mission and vision for UC-SF; 2) complete a post-secondary needs analysis to determine market potential and education needs of residents and employers in the Sioux Falls area; and 3) provide a three-year business plan with action steps to achieve the new mission and vision.

Dr. Perry provided a brief overview of the FutureWorks final report and recommendation, which were issued on June 1, 2017.

A copy of the University Center – Sioux Falls Consultant’s Report can be found on pages ____ to ____ of the official minutes.

8-I Amendment to the By-Laws – Creation of Athletics Advisory Committee (First Reading)

As part of this item, Regent John Bastian said he would like to address another change to the By-Laws, which will be part of his motion. In his review of the entire By-Laws, he feels that the last sentence of the membership section 2.0 does not reflect state law. Therefore, he recommends that after the second sentence of the current membership paragraph, everything should be deleted and the following should replace it: “The regents are subject to SDCL Ch. 13-49 regarding terms and qualifications.”

Kayla Bastian, System Director of Human Resources, explained that across the nation, and the Regental system, intercollegiate athletic programs continue to grow and have increased public exposure. She said as the programs grow, so do the administrative complexities of managing them. Therefore, the Association of Governing Boards recommends that boards establish an advisory committee on athletics to consider the issues surrounding intercollegiate athletics. The creation of an Athletics Advisory Committee will allow the Board members to have a greater understanding of the impacts of intercollegiate athletics, and ensure that BOR athletics programs align with the mission, vision and values of higher education in South Dakota. She described the proposed amendments to the By-Laws that would effectively create the Athletics Advisory Committee.

Regent Morgan asked a question about another section of the By-Laws that relates to section 2.0, previously referenced by Regent Bastian. Regent Bastian explained that the section relates to the removal process of regents.

IT WAS MOVED by Regent Bastian, seconded by Regent Schaefer, to approve the By-Laws – Creation of Athletics Advisory Committee (First Reading) as presented and containing the changes to 4.4, 4.4.1, 4.4.2 as well as to approve the amendment to section 2.0 of the By-Laws eliminating everything after the second sentence and replacing it with “The regents are subject to SDCL Ch. 13-49 regarding terms and qualifications.” Motion passed.

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

8-J Career Pathways

Governor’s Chief of Staff Tony Venhuizen and Governor’s Policy Advisor Patrick Weber updated the Board on some workforce development and pathways efforts being addressed at the Governor’s office. Tony Venhuizen explained that Governor Daugaard recently assumed the chairmanship of the Western Governors’ Association. This is a bipartisan group that takes up an initiative each year. This year, Governor Daugaard has decided to focus on workforce development and career pathways. His goal is to introduce more flexibility for high schools to

allow their students to elect more experienced-based training during their junior and senior year of high school. He believes giving that opportunity to young people allows them to try out different occupations to see what they like and do not like. He said Marcia Hultman has been giving presentations about the types of skills employers are looking for, which focuses on soft skills. They believe less students are leaving high school with soft skills because less high school students have jobs during high school. He noted that the Governor and others in the office recently took a trip to Switzerland and Germany to study their apprenticeship models.

Patrick Weber explained the different high school tracks in Switzerland. He said 70% of Swiss students choose the apprenticeship track. He said the model is based on the idea of flexibility, which provides young people an opportunity for workforce experience but still encourages college education. He said that in some companies in Switzerland, one tenth of the employees are between the ages of 16-18.

Tony Venhuizen said the Governor recently invited 10-15 South Dakota superintendents to introduce the concept of apprenticeships. Governor Dugaard wants this to be a ground-up effort, so these superintendents will go back to their school boards and then report back to the Governor's office. As part of the Western Governors' Association initiative, the Governor will host several conferences to talk about this issue. The first of these will be held in Sioux Falls in early August, August 2-4.

Regent Roberts asked about the apprenticeships in Switzerland, asking for clarification on whether or not there is any certificate that goes along with completing this program. It was said that there are diplomas that go along with completion of this program and in some cases there are articulation models for credit.

Regent Wink said she is very familiar with this apprenticeship program and the global critique is that this often causes young men in particular to choose a path early which allows for less flexibility.

Patrick Weber said at this point, they are working to create a plan to build these programs so that when approaching employers, it is easier to describe how they will fit into the apprenticeship programming. He said the U.S. Department of Labor has several models available and that other states are farther along.

Regent Wink said focusing on apprenticeship should also have a strong mentoring component.

Tony Venhuizen agreed and also said that the high school counselors are often so focused on social issues that they do not have career counseling available. He said the Governor's office is looking for other models that could support the career counseling that needs to be available to students.

Dr. Rush said he has experience creating high-end technical programs that require internships. He found that when integrated with their academic experience, this was a good model. He also said the pressure to waive certain courses that would prepare the student for college, in order to have time for the apprenticeship, was always a pressure.

Regent Schieffer asked about the students who selected the non-apprenticeship path. Patrick Weber said that even for those students, they would like to build in work experience to help them be more informed about their path.

Regent Jewett asked if the idea of requiring the ACT of all juniors would fit into this concept. Tony Venhuizen said that this concept is consistent. He also mentioned the federally mandated standardized tests required in the junior year, noting that it is critical that students be prepared and able to pass them.

ACADEMIC AND STUDENT AFFAIRS

9-A Student Federation Report

No report.

9-B 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.

9-C Ellucian Student Banner

Dr. Janice Minder, SDBOR technology consultant, provided an update on the process of evaluating the Banner Student software application system. Due to the information revealed through the evaluation as well as feedback from the campus modules and institutional leads, the migration was recommended and the contract signed. She explained that the next step in the process is the creation of the project structure. This includes development of the project charter, which includes the overall charge and objectives.

She said in order to ensure that the project meets the regents' expectations, a project charge and project assumption statements were provided in the agenda materials for formal approval by the Board of Regents. These two important expectations will serve as the endorsed methodology to the project teams, project leadership, and software system design.

Regent Morgan said it is not a matter of whether this migration is done but when. He understands that all institutions are supportive of this project and now is a good time to proceed.

IT WAS MOVED by Regent Morgan, seconded by Regent Adam, to approve the endorsement of the Banner Student project, and approval of the project charge and assumption statements for inclusion in the project charter. Motion passed.

A copy of the Ellucian Student Banner project charge and assumption statements can be found on pages ____ to ____ of the official minutes.

9-D(1) New Program Request – SDSU – BS in Conservation Planning and Park Management

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that South Dakota State University (SDSU) requests authorization to offer a Bachelor of Science (BS) in Conservation Planning and Park Management, including a specialization in Park Administration and Management. The program will prepare students for careers in Park Management, Landscape Conservation Planning, Natural Areas Management, Land Use Planning, and as a Park Ranger and Interpretive/Naturalist. SDSU formerly offered a Park Management major and a Park Management specialization within the Recreation Management major. SDSU notes resurgent workforce demand and student interest have driven renewed interest in related programs. No other program in this field exists within the region.

He said the Executive Director waived the Intent to Plan as SDSU previously offered a closely related degree program and because only four new courses are proposed.

IT WAS MOVED by Regent Morgan, seconded by Regent Schaefer, to approve SDSU's BS in Conservation Planning & Park Management as provided in Attachment I. Motion passed.

A copy of the SDSU's BS in Conservation Planning and Park Management program request can be found on pages ____ to ____ of the official minutes.

9-D(2) New Program Request – SDSU – BS in Leadership & Management of Nonprofit Organizations

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that South Dakota State University (SDSU) requests authorization to offer a Bachelor of Science (BS) in Leadership and Management of Nonprofit Organizations. The program will provide education in marketing, public relations, fundraising, volunteer recruitment, program development, and other skills vital to success in the nonprofit sector. Graduates would gain employment in positions with local, national, and international nonprofit organizations as well as leadership positions in public and private employment. He said the Board approved the intent to plan at the March 2017 meeting.

IT WAS MOVED by Regent Morgan, seconded by Regent Sutton, to approve SDSU's BS in Leadership and Management of Nonprofit Organizations as provided in Attachment I. Motion passed.

A copy of the SDSU's BS in Leadership & Management of Nonprofit Organizations program request can be found on pages ____ to ____ of the official minutes.

9-D(3) New Program Request – USD – BS in Technical Leadership

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that the University of South Dakota (USD) requests approval for a Bachelor of Science (BS) in Technical Leadership. The proposed program is an interdisciplinary degree intended for students who have earned technical and/or Associate of Applied Science (AAS) degrees and want to complete further their education through a bachelor's degree. The program will provide the knowledge and

skills needed to undertake leadership and supervisory roles that complement the technical expertise the student acquired at the community or technical college. Students may complete the degree immediately after completion of an AAS or after the student has gained additional technical work experience. Five certificates stack into the degree, creating multiple pathways for students to pursue the bachelor's while achieving short-term professional and academic benefit. These include existing certificates in Regulatory Affairs & Laboratory Safety and Web Design, and proposed new certificates in Personnel Supervision, Communication & Leadership, Management, Small Business Entrepreneurship, and Healthcare Leadership. He said the Board approved the intent to plan at its May 2017 meeting. He said USD also seeks authorization to offer the program online and at the University Center – Sioux Falls.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to approve USD's BS in Technical Leadership as provided in Attachment I. Motion passed.

A copy of the USD's BS in Technical Leadership program request can be found on pages ____ to ____ of the official minutes.

9-E(1) Intent to Plan Requests – SDSM&T – MS in Innovation and Design

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, explained that the South Dakota School of Mines & Technology (SDSM&T) has submitted an Intent to Plan requesting approval to develop a Master of Science (MS) in Innovation and Design. The proposed program is a multidisciplinary, non-thesis program blending emerging innovation strategies and technologies, human-centered design, and lean entrepreneurship concepts. Graduates of the program would receive preparation for launching a startup enterprise in line with their engineering and science expertise. The program is designed to appeal to graduates of engineering and science disciplines, including but not limited to computer science, mechanical engineering, materials and metallurgical engineering, chemical and biological engineering, and industrial engineering.

Regent Morgan asked about the typical timeframe from approval of an intent to plan to the final approval. Dr. Perry said the typical approval process takes roughly one year.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to authorize SDSM&T to develop a proposal for a Master of Science in Innovation and Design as presented. Motion passed.

A copy of the SDSM&T's intent to plan proposal for an MS in Innovation Design can be found on pages ____ to ____ of the official minutes.

9-E(2) Intent to Plan Request – SDSU – MS in Medical Laboratory Science

Dr. Jay Perry, System Assistant Vice President of Academic Affairs, explained that South Dakota State University (SDSU) has submitted an Intent to Plan requesting approval to develop a Master of Science (MS) in Medical Laboratory Science (MLS). The program would focus on providing graduate students with skills that relate to the improvement, maintenance and success of the overall human-patient health care experience. MLS practitioners trained at the master's level work with other health care professionals to ensure appropriate testing to improve health

care delivery and patient care, serve as laboratory professionals in diagnostic testing settings, and fill both technical and administrative roles at medical laboratories. In addition, some graduates may serve as faculty at institutions that provide undergraduate education in medically related fields.

IT WAS MOVED by Regent Morgan, seconded by Regent Adam, to authorize SDSU to develop a proposal for a Master of Science in Medical Laboratory Science as presented. Motion passed.

A copy of the SDSU's intent to plan proposal for an MS in Medical Laboratory Science can be found on pages ____ to ____ of the official minutes.

9-F SDSM&T Program Modification – Accelerated Program: MS in Engineering Management

Dr. Paul Turman, System Vice President for Academic Affairs, stated that the Department of Industrial Engineering at South Dakota School of Mines & Technology (SDSM&T) seeks to modify its existing MS in Engineering program by making it available as an accelerated program whereby qualified students could shorten the expected time to an MS degree by counting approved courses towards both the BS and MS degrees in Engineering at SDSM&T. Students entering the accelerated MS program would need to satisfy all requirements expected of traditional MS students. Undergraduate students with conditional acceptance into the Master's program will be able to complete up to 12 credits of graduate work to count toward both the undergraduate and the graduate degrees.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to approve SDSM&T's program modification request to allow for its MS in Engineering program to be offered as an accelerated BS/MS program as described in Attachment I. Motion passed.

A copy of the SDSM&T's program modification request regarding offering its MS in Engineering Management as an accelerated program can be found on pages ____ to ____ of the official minutes.

9-G BOR Policy 4:11 Revisions – Rank and Promotion (First 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. At that time, BOR Policy 4:11 Rank and Promotion was not updated to reflect the changes that were made to the COHE agreement. He referred to the agenda item that shows proposed policy changes that would 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.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to approve the first reading of the 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.

9-H BOR Policy 4:43 Revision – Emeritus Status (First Reading)

Dr. Paul Turman, System Vice President for Academic Affairs, explained that at the June 2015 BOR meeting the framework and requirements for emeritus recognition were updated. However, during the May 2017 BOR meeting, a number of institutional exemption requests allowable under Section 7 of Policy 4:43 came forward resulting in six waivers granted by the Board. 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. With this in mind, the proposed revisions to BOR Policy 4:43 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.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve the first reading of the 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.

9-I BOR Policy 2:3 Revisions – System Undergraduate Admissions (First 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 its September 2015, January 2017 and February 2017 meetings. Most recently an update was provided to the Board at the March 2017 meeting, and was included as a project to be funded by the Lumina's Attainment Challenge Grant awarded to the Board of Regents. Discussions continue to unfold with the 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 Smarter Balanced scores have proven to be very good indicators of whether or not students are prepared for college course work. However, currently BOR Policy 2:3 – System Undergraduate Admissions does not 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 11th 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.

Regent Morgan asked how Smarter Balanced is administered and when. Dr. Turman said at the end of the junior year every South Dakota public school student is assessed using the Smarter Balanced assessment. He said this process gives the administration quicker access to the data,

allowing students the opportunity to enroll in the most appropriate coursework during their senior year that is needed to be college ready. Regent Morgan asked if ACT or Smarter Balanced is a better indicator of what types of coursework will best prepare students going forward. Dr. Turman said that both are good indicators and we could be using them synonymously.

Dr. Turman commented on how students are notified of the types of coursework that will best prepare them during their senior year.

In response to a question, Dr. Turman said the results from the Smarter Balanced are provided by the school districts. He said the districts will also be responsible for explaining what this means in terms of recommended coursework going forward. He said that this will later trigger a letter from the Department of Education letting students know whether they are proactively admitted to the universities. He said there is a caveat for admittance to the SDSM&T as the math sub-score must be higher than for the other institutions.

IT WAS MOVED by Regent Morgan, seconded by Regent Wink, to approve the first 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.

9-J e-Text Pilot Results and Recommendation

Dr. Paul Turman, System Vice President for Academic Affairs, explained that during its January 2017 meeting, AAC discussed the current status of a pilot of two e-text platforms (RedShelf and VitalSource) underway during the 2017 spring term being conducted by the e-Materials Committee. He said the pilot was necessitated as part of a larger conversation with major publishers to put agreements in place to facilitate the use of publishers' e-materials in D2L by instructors at all SDBOR institutions, with the goal of having these agreements in place at the system level to cover use by campuses. He said as a result of the pilot, the system selected VitalSource, which allows more open sourcing, and now allows the system the ability to negotiate with textbook vendors to decrease the costs of textbooks for students.

In response to a pricing question from Regent Morgan, Dr. Turman said the intent is to get the price below what the student would pay at the bookstore.

A copy of the e-Text Pilot Results and Recommendation report can be found on pages ____ to ____ of the official minutes.

9-K Institutional Program Review Reports – DSU, NSU and SDSU

Dr. Paul Turman, System Vice President for Academic Affairs, explained that the Regental system has established a process requiring periodic reviews of all programs offered. A primary purpose for these reviews is to continuously improve the quality of all educational programs. Periodic program review involves stakeholders in an analysis of past performance which is used to inform present and future directions and decision-making. The review process is integrated with strategic planning and budgeting, with regional and specialized accreditation processes, and

with student-learning outcome assessments. The system's processes require each campus to maintain a schedule that indicates the time frame for the review of every program offered.

In response to a question, Dr. Turman said that he encourages the institutions to consider how they use money internally to be innovative.

A copy of the Institutional Program Review Reports from DSU, NSU and SDSU presented can be found on pages ____ to ____ of the official minutes.

9-L Customized Learning and Early College Models

Dr. Paul Turman, System Vice President for Academic Affairs, introduced the item by explaining that for a number of years, a small number of school districts in South Dakota have been working on an initiative that supports student progression in the curriculum through Customized Learning. He said Harrisburg is one district in particular that has aggressively engaged the Customized Learning approach, and as the initial cohorts of the program approach their junior year they are confronted with a limited set of curriculum options. To address this issue, the district superintendent met with representatives from the BOR central office, DSU, SDSU and USD in early March to discuss potential collaboration for the delivery of early college programming for a select cohort of students.

Jim Holbeck, Superintendent of Harrisburg schools, provided information about the Customized Learning concept and programming at the Harrisburg schools. He described the current framework which emphasizes the traditional "seat-time" model for advancing students through courses and grade levels, and he explained how this is replaced with a model for competency-based learning.

Travis Lape, Innovative Programs Director at the Harrisburg school district, said that when this model started in Harrisburg all freshmen were put into it and there was pushback. Due to this response, they realized they needed to introduce the concept earlier so they brought the pilot to the elementary school. This pilot included students with a cross-section of academic performance. He said the implementation plan is to have a choice to elect this model in all elementary and middle schools in their district by Fall 2019.

He explained that an unanticipated constraint with this model is for high achieving or gifted students because they are able to work through the curriculum in half the traditional time. For these students who meet their graduation requirements prior to the start of their junior year, they would like to be able to accommodate students who need additional educational opportunities in their senior year. Superintendent Holbeck introduced the Harrisburg's Early College program. He said these students would follow a college-like schedule, and courses could be provided on or off-site. However, these students would still get to participate in the student-life opportunities of high school students, such as athletics and prom. He said these students will still have K-12 state aid, and this cost will pay for the course work and textbooks necessary. Additionally, he said Early College is meant to give students another opportunity to excel. It will keep them engaged, exposed to vocations, and hopefully produce students who go to college with an idea of what career path they would like to follow.

Superintendent Holbeck said he is asking the Regental schools to partner with them in this effort. In addition to its support in offering courses, he said the Harrisburg school district needs teachers coming from the universities ready to teach in this way. He invited the regents to tour the facilities.

Regent Roberts asked how teachers work with students within this learning model. He explained that a team of teachers, each who specialize in a specific content area, works with students in a spectrum of mastery.

Regent Wink asked about the differences between the customized learning program versus the traditional track. Travis Lape walked the regents through a typical day of a student in the customized learning program.

Superintendent Holbeck emphasized that they would like to see a great partnership going forward and would like the Board's blessing as they move forward.

Dr. Turman explained the recommended motion, saying that the Regental system does not currently offer college coursework beyond concurrent credit exclusively to high schools students. This early college model would change the guidelines that the universities have been following and allow for coursework to be delivered in this manner through the High School Dual Credit program.

In response to a question about student-teacher ratios, Superintendent Holbeck said that this model requires slightly more teachers.

Regent Morgan said he was very pleased to hear that the program is addressing soft skills because this is something difficult to teach a student who is effectively an adult in college.

Regent Wink asked if there has been pushback from the parents in the traditional program. Superintendent Holbeck said there has been pushback regarding grading and class ranks. He said in this transition period Harrisburg is basically running two schools. Regent Wink said she would like to see the curriculum and modes of delivery. She also recommended that they change their terminology from "mastery" to something else.

Additional discussion ensued about benefits and challenges of this program.

Regents expressed interested in this program but were concerned about making any sweeping decisions that could impact large policy shifts. They felt more comfortable approving a limited pilot. They would like further discussion about the funding mechanism.

The Board would like to revisit this topic, including funding models, at the August BOR meeting.

IT WAS MOVED by Regent Morgan, seconded by Regent Schaefer, to allow Board staff to proceed in their support of the Early College model and allow Dakota State University to provide a math course as a pilot in Fall 2017 at the Harrisburg school district and later report back on the results of that pilot course. Motion passed.

A copy of Customized Learning and Early College Models can be found on pages ____ to ____ of the official minutes.

7-F BHSU Naming Request – Jace DeCory Center for American Indian Studies – Moved from Consent

BHSU President Tom Jackson requested approval for BHSU to name the Center for American Indian Studies the “Jace DeCory Center for American Indian Studies”. He provided information about Jace DeCory.

IT WAS MOVED by Regent Morgan, seconded by Regent Sutton, to approve Black Hills State University’s request to name the Center for American Indian Studies the “Jace DeCory Center for American Indian Studies”. Motion passed.

A copy of BHSU’s Naming Request – Jace DeCory Center for American Indian Studies can be found on pages ____ to ____ of the official minutes.

7-G BHSU Naming Request – Lionel R. Bordeaux Residence Hall – Moved from Consent

BHSU President Tom Jackson requested approval to rename the Crow Peak Residence Hall as the “Lionel R. Bordeaux Residence Hall”. He provided information about Lionel R. Bordeaux, long-serving President of Sinte Gleska College.

IT WAS MOVED by Regent Morgan, seconded by Regent Schieffer, to approve Black Hills State University’s request to rename the Crow Peak Residence Hall as the “Lionel R. Bordeaux Residence Hall”. Motion passed.

A copy of BHSU’s Naming Request – Lionel R. Bordeaux Residence Hall can be found on pages ____ to ____ of the official minutes.

7-H USD Naming Request – Nolop Institute for Medical Biology – Moved from Consent

Guilherme Costa, Board of Regents’ General Counsel, provided information about the request.

IT WAS MOVED by Regent Morgan, seconded by Regent Bastian, to approve the University of South Dakota’s request to name the newly created “Nolop Institute for Medical Biology”. Motion passed.

A copy of USD Naming Request – Nolop Institute for Medical Biology can be found on pages ____ to ____ of the official minutes.

BUDGET AND FINANCE

10-A Building Committee Report

The Board was provided the building committee report.

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

10-B Capital Project List

The Board was provided the capital project list.

A copy of the Capital Project List can be found on pages ____ to ____ of the official minutes.

10-C Student Accounts Receivable Report

The Board was provided the student accounts receivable report.

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

10-D Reduced Tuition Annual Report

Dr. Monte Kramer, System Vice President of Finance and Administration, provided the reduced tuition annual report. The report provides the student numbers, state-support credit hours, total revenue collected from these students for tuition, general activity fee, and room and board related to the reduced tuition programs. Additionally, it provides the amount of tuition dollars waived for each of the reduced tuition programs.

Regent Jewett encouraged the regents to evaluate the impact of having a single tuition rate that would be the same for in-state and out-of-state students.

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

10 E-USD North Commons Renovation Facility Program Plan

Dr. Monte Kramer, System Vice President of Finance and Administration, presented USD's facility program plan to renovate the North Commons facility at an estimated cost of \$2,973,155.

He said during the March 2017 Board meeting, the Board approved the project's preliminary facility statement and appointed Regent Adam as the building committee representative. Funding for this project will come from USD's M&R annual allocations. At that time, utility costs and janitorial services were to be funded with auxiliary revenues, and on-going maintenance was to be covered with local funds or paid with auxiliary renewals/repair/renovation funds and recouped through rental payments. The space was to be rented by the auxiliary system to academic affairs at an appropriate market rental rate.

He said since March 2017 the cost of this project has continued to grow. Because of this, bond counsel suggests that this space be taken out of the auxiliary system and given to the academic side of the house. Therefore, utility and maintenance costs will now be paid by USD and not the auxiliary system.

Regent Sutton asked for clarification about how the North Commons could be separated from the residence halls since they are physically attached. Dr. Kramer said that the facilities are identified as separate facilities in the auxiliary system, so there is no problem with taking the North Commons out of the auxiliary system.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve USD's Facility Program Plan to renovate the North Commons at a cost not to exceed \$2,973,155. Funding for this project will come from USD's annual maintenance and repair allocations. Motion passed.

A copy of the USD North Commons Renovation Facility Program Plan can be found on pages ____ to ____ of the official minutes.

10-F DSU Public Service Activity – CAHIT

Shelly Anderson, System Internal Auditor, explained the Public Service Activity (PSA) report was provided to the Board at the May 2017 meeting. This report is a required annual report and provides the financial health of all PSA's. Because BOR Policy 1:22 requires PSA to be self-supporting, additional follow-up work was necessary for DSU's Center for Advancement of Health Information Technology (CAHIT) due to large cash transfers noted. CAHIT received grant funding which was integrated with this PSA. The grant closed out in May 2016 leaving a deficit cash balance of \$569,965.74. At the conclusion of FY16, DSU has discontinued TSS (technology support services now called CAHIT) as a PSA and only performs grant funded activities. She referred to DSU's plans for how it will cover the cash deficit resulting from the CAHIT program.

In response to Regent Sutton's question about what safeguards have been put in place at the institution so that this does not happen again, Shelly Anderson said she looks for trends where revenues have not met expenses or where cash balances have started to go down over the last three years. Regent Sutton asked whether this program was flagged in the trend reports. She indicated that this program is unique because it is a hybrid program because, in addition to a public service program, it is also a grant funded-program and a business activity.

Stacy Krusemark, DSU Vice President of Finance & Administration, provided additional information about the composition of this program and the intent behind the grant portion of the project. He said DSU has kept close track of this program; however, the institution was obligated to the federal government to make a good-faith effort to make the project self-sustaining, which was a component of the program's grant funding.

A copy of the DSU Public Service Activity – CAHIT can be found on pages ____ to ____ of the official minutes.

10-G Audit Committee Charter and By-laws Addition

Shelly Anderson, System Internal Auditor, described the primary purpose of an audit committee, which is to provide oversight of the financial reporting process, the internal and external audit process, the system of internal controls, compliance with laws, regulations and policies, risk management, ethics and management.

She provided a brief explanation of the proposed Board of Regents' audit committee and described the audit committee charter, which sets forth the general purpose, authority, composition and responsibilities of the committee.

Furthermore, she noted that the addition of the Audit Committee would require a revision to the Board's By-Laws and provided an overview of these proposed changes.

Regent Jewett said he is not sure the document clearly states that the committee covers both internal and external audits. He said it is narrowly drafted and before it comes back the next time should be massaged to make clear that all of those functions of the chief financial officers are subject to review by the Audit Committee as well as risk management which includes insurance and its adequacy.

Regent Morgan asked whether this would be a special committee or a standing committee. Guilherme Costa, Board of Regents' General Counsel, said that the two related sections in the By-Laws are the Standing and Special Committees. Both this and the athletic committee went to special committees section because if it went to standing committees other changes in the By-Laws would have been required. He said permanency of a committee would not be lessened if it was slated under the special committee umbrella.

Noting that the language does not state an official reporting structure, the Board members felt it was important to clearly state that audit committee report directly to the Board.

Additionally, the Board felt that it may be more appropriate to include the audit committee as a standing committee rather than a special committee.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve (1) the creation of the Audit Committee in the By-Laws, and (2) the first reading of the revised Article IV of the By-Laws, containing the addition of Sections 4.5, 4.5.1, and 4.5.2. Motion passed.

A copy of the Audit Committee Charter and By-laws Addition can be found on pages ____ to ____ of the official minutes.

10-H NCAA Division I Athletic Budget Projections

Leah Ahartz, System Budget Manager, explained the three-year athletic budget projections for SDSU's and USD's long-term commitments for salaries and incentive packages for coaches and athletic directors. The item lists the multi-year contracts that have been approved to date. In the future, projections will be compared to actual revenues and expenses.

Regent Sutton recommended that regents keep this report handy because there may be several questions from the public about this topic.

A copy of the NCAA Division I Athletic Budget Projections can be found on pages ____ to ____ of the official minutes.

10-I Revised Resolution to Removing Humbert Hall from the Housing and Auxiliary Facilities System

Dr. Monte Kramer, System Vice President of Finance & Administration, explained that at its June 2015 meeting the Board authorized the removal of Humbert and Pangburn residence halls on the campus of Black Hills State University (BHSU) from the Housing and Auxiliary Facilities System created pursuant to the Amended and Restated Bond Resolution adopted by the Board on October 21, 2004, as amended and supplemented.

He said the intent was to remove Humbert Hall as it was to be repurposed and no longer serve as an economic benefit to the BHSU Housing and Auxiliary Facilities System and to remove Pangburn Hall because it was physically and structurally unfit for use as a student residence hall. While this was clear in the cover of the Board item, the actual resolution removed both facilities because they were “physically and structurally unfit for use and occupancy as student residence halls and should therefore be abandoned for economic non-feasibility and removed from the list of facilities of the BHSU Institutional System”.

This item includes a resolution clarifying the determination of the Board as to the reason for the removal of Humbert Hall from the Black Hills State University Institutional System. Approval of the revised resolution will correct the reason for removing Humbert Hall from the BHSU Institutional System because it no longer generated net revenues of the System, since it was obsolete when compared to newer residence halls that offered more amenities.

IT WAS MOVED by Regent Roberts, seconded by Regent Wink, to approve the revised resolution to remove Humbert Hall from the Auxiliary System.

ROLL CALL:

Conrad Adam – AYE
John Bastian – AYE
Jim Morgan – AYE
Pam Roberts – AYE
Randy Schaefer – AYE
Bob Sutton – AYE
Joan Wink – AYE
Kevin Schieffer – AYE
Harvey Jewett – AYE

Motion passed.

A copy of the Revised Resolution to Removing Humbert Hall from the Housing and Auxiliary Facilities System can be found on pages ____ to ____ of the official minutes.

10-J SDSU American Indian Student Center Preliminary Facility Statement

Dean Kattelman, SDSU Associate Vice President of Facilities & Services, explained South Dakota State University’s (SDSU’s) request for approval of its Preliminary Facility Statement to begin initial planning for the construction of an American Indian Student Center (AISC)

currently located in the lower level of the Enrollment Service Center. The proposed building would consist of approximately 12,000 gross square feet of space. While a definite site location has not been identified, the facility would potentially be located along the south side of campus near the existing residence halls and 8th street. This would allow easy access for students on campus and also offer vehicular access to the site. Funding for this project will come from private donations and school and public land funds. Donations would be required for a significant portion of the project. Site selection, programming, and preliminary design services will cost approximately \$150,000 and be funded by the FY17 school and public lands allocation.

Regent Sutton appointed himself as the building committee representative.

IT WAS MOVED by Regent Roberts, seconded by Regent Wink, to approve the SDSU American Indian Student Center Preliminary Facility Statement as presented. Motion passed.

A copy of the SDSU American Indian Student Center Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

10-K SDSU South University Neighborhood Redevelopment Preliminary Facility Statement

Dean Kattelman, SDSU Associate Vice President of Facilities & Services, explained SDSU's request to begin planning for the construction of an apartment-style facility for the southern part of the SDSU campus.

He explained that SDSU took part in two studies conducted by Robert Charles Less and Company (RCLO). The December 2015 study, the *South Edge Parcel Development Opportunity Analysis*, along with the May 2017 study, *Student Housing Market Analysis and Consumer Research*, confirmed the demand for the apartment-style facility for upper-division undergraduate, graduate, transfer and family student housing students located on or near campus.

The complex will house approximately 200 to 220 students with potential additional phases depending on the demand from students and financing conditions. A mix of one-, two-, three- and four-bedroom apartment units would be included in the facility. The number of each style of unit would be determined during the project's program and design phases.

The project site being proposed is located south of 8th Street on the existing site of the State Court and apartments. The SDSU Foundation is currently acquiring additional property along 7th Street to the south of the State Court site. These locations remain the same from the former public-private redevelopment plan.

Dr. Kramer, System Vice President of Finance & Administration, pointed out that the Board approved a policy change in April 2013 that required that the campuses invest a minimum of 2% of the building's value into maintenance and repair for residential facilities. The last time we did this calculation, SDSU fell well short of the goal. This means that SDSU does not invest the necessary funds needed to adequately maintain their residential facilities. Recognizing the importance of maintaining facilities, SDSU recently requested and received a \$4.24 per credit hour GAF increase to move the student union and the wellness center to meeting the 2% minimum investment. Adding additional properties into the residential life system without

providing maintenance and repair funding exacerbates the problem. If the new facility generates sufficient dollars to cash flow the debt and supports the 2% maintenance and repair requirement it will not be a concern. SDSU needs to address in its plan how it will meet the 2% M&R requirement for the residential system as part of the program plan for the new facility.

Regent Adam asked how common it is for the campuses to fall under the 2% maintenance and repair requirement. Dr. Kramer said it is not necessarily common; however, the purpose of this requirement is to prioritize the maintenance of the institutional buildings.

Dean Kattelmann said that the maintenance and repair plan is forth coming and will be part of the project proforma.

Regent Sutton asked whether the 2% includes all properties or only campus-specific properties. Dr. Kramer said this includes the revenue system and the academic/HEFF facilities.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to approve the SDSU South University Neighborhood Development Preliminary Facility Statement as presented. Motion passed.

A copy of the SDSU South University Neighborhood Development Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

10-L SDSU Contract Addendum for the Dakota Lakes Research Farm

Guilherme Costa, Board of Regents' General Counsel, explained that South Dakota State University (SDSU) requests Board of Regents approval of an addendum to the agreement between the Dakota Lakes Research Farm Corporation and South Dakota State University dated July 1, 2016. During the 2017 South Dakota Legislative Session, funding was included in SB 178 for a new 0.8 FTE position for the SD Agricultural Experiment Station, and the addendum would formalize this position, to be located in Pierre, SD at the Dakota Lakes Farm and SD Regional Extension Center.

IT WAS MOVED by Regent Roberts, seconded by Regent Bastian, to approve the addendum to the agreement between Dakota Lakes Research Farm Corporation and South Dakota State University, as contained in Attachment I. Motion passed.

A copy of the SDSU Contract Addendum for the Dakota Lakes Research Farm can be found on pages ____ to ____ of the official minutes.

10-M SDSU Garden Square Property Acquisitions

Wesley Tschetter, SDSU Vice President of Finance & Administration, explained that South Dakota State University (SDSU) requests Board of Regents' authorization to acquire three (3) properties from the SDSU Foundation. Each property is located in a development known as Garden Square, and will be purchased using housing and auxiliary facilities system funds. A document outlining the appraisal for the Garden Square property and the South University Neighborhood Development Property was provided.

Regent Sutton asked when the properties in Garden Square started to be acquired. Wes Tschetter said that this acquisition started in 2015. In response to a question about whether or not the price for these properties are rising, he said that these properties are exceptionally nice properties hence the higher cost.

IT WAS MOVED by Regent Roberts, seconded by Regent Sutton, to authorize SDSU to use housing and auxiliary facilities system funds (“Revenue System”) to acquire the following three (3) Garden Square properties to be added to the Revenue System: (i) 1734 8th Street Unit 1734 C-R; (ii) 1741 8th Street Unit 1741 A; and (iii) 1817 8th Street Unit 1817 C-R, each located in Brookings, South Dakota. Motion passed.

A copy of the SDSU Garden Square Property Acquisitions can be found on pages ____ to ____ of the official minutes.

10-N SDSU South University Neighborhood Development Property Acquisitions

Guilherme Costa, Board of Regents’ General Counsel, explained that South Dakota State University (SDSU) requests Board of Regents’ authorization to acquire the improved residential property authorized in section 3 of House Bill 1008 from the 2017 Legislative Session.

Wesley Tschetter, SDSU Vice President of Finance & Administration, said that this was discussed at the December 2016 meeting and fits as part of the plan for the south university neighborhood development property.

IT WAS MOVED by Regent Roberts, seconded by Regent Adam, to authorize SDSU (1) to acquire the improved residential properties identified in this Board item, which were authorized in section 3 of House Bill 1008 from the 2017 Legislative Session (2017 S.D. Sess. Laws Ch. 83); and (2) to offer for sale any improvements contained on the properties, and to demolish any unsold improvements. Motion passed.

A copy of the SDSU South University Neighborhood Development Property Acquisitions can be found on pages ____ to ____ of the official minutes.

10-O First Amendment to the SDSU Sanford-Jackrabbit Facility Operating and Use Agreement

Guilherme Costa, Board of Regents’ General Counsel, explained that South Dakota State University requests Board of Regents authorization to negotiate a First Amendment to the SDSU Sanford-Jackrabbit Facility Use Agreement with Sanford Health. The current agreement enables Sanford physicians and associated personnel to provide sports medicine services to SDSU. The First Amendment to the Facility Use Agreement would establish the “Sanford Health Center for Excellence in Athletic Care and Sports Education Research at South Dakota State University.” Once the Amendment is negotiated and finalized, it would be submitted to Dr. Rush for his approval.

SDSU President Barry Dunn provided background on this project.

IT WAS MOVED by Regent Roberts, seconded by Regent Roberts, to (1) authorize SDSU to complete negotiation of the First Amendment to the Sanford-Jackrabbit Facility Use Agreement with Sanford Health, and (2) authorize the Executive Director to review, approve, and execute the negotiated First Amendment to the Sanford-Jackrabbit Facility Use Agreement after the General Counsel has approved the agreement as to matters of style and form. Motion passed.

A copy of the First Amendment to the SDSU Sanford-Jackrabbit Facility Operating and Use Agreement can be found on pages ____ to ____ of the official minutes.

RESOLUTION TO RECOGNIZE REGENT HARVEY JEWETT

WHEREAS, Harvey C. Jewett served the people of the state of South Dakota for more than 20 years, from January 1997 to June 2017, as a member of the South Dakota Board of Regents; and

WHEREAS, Regent Jewett was elected as the Board's secretary shortly after his initial appointment, became vice president in 1998, was then elected president in 1999, and was re-elected annually to that post until 2009, serving an unprecedented 10 years as the Board's president; and

WHEREAS, during Regent Jewett's tenure on the Board, more than 105,000 degrees were awarded to graduates across the Board of Regents' system; and

WHEREAS, during his time on the Board of Regents, nearly \$1.2 billion was invested in academic, revenue, and campus infrastructure projects, including \$432 million in new construction of academic buildings; and

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

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

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

THEREFORE, BE IT RESOLVED, that it is the desire of the Board of Regents to applaud and recognize Regent Jewett for his dedicated service, leadership, and vision; and

BE IT FURTHER RESOLVED, that Regent Harvey C. Jewett be thanked for his outstanding contributions and dedication to higher education and to South Dakota, and it is ordered that this Resolution be spread upon the minutes of this Board and that a copy thereof be forwarded to Regent Jewett.

IT WAS MOVED by Regent Sutton, seconded by Regent Bastian, to adopt the resolution recognizing Regent Harvey Jewett for his over 20 years of dedicated service to South Dakota's system of public higher education. Motion passed.

ADJOURN

The Board adjourned at 3:00 p.m.

DRAFT