

**BOARD OF REGENTS
MINUTES OF THE MEETING
August 7-9, 2018**

The South Dakota Board of Regents met on August 7-9 at River Rock Lodge in Pierre, South Dakota, with the following members present:

Kevin Schieffer, President
John Bastian, Vice President
Jim Morgan, Secretary
David Mickelson, Regent
Pam Roberts, Regent
Randy Schaefer, Regent
Jim Thares, Regent

The following member was not present:

Joan Wink, Regent

Also present during all or part of the meeting were the following: Paul Turman, System Vice President for Academic Affairs; Nathan Lukkes, 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; Molly Hall-Martin, Director of Student Preparation & Success; Leah Ahartz, Budget Manager; Jay Perry, Assistant Vice President for Academic Affairs; Tasha Dannenbring, Director of Institutional Research; Jammie Raske, IT Support Staff; Janelle Toman, Director of Communications; Barry Dunn, SDSU President; José-Marie Griffiths, DSU President; Tom Jackson Jr., BHSU President; Jim Rankin, SDSM&T President; Tim Downs, NSU President; Sheila Gestring, USD President; Paul B. Beran, incoming Executive Director and CEO to the Board of Regents; Jeff Mehlhaff, Legislative Research Council; John Tannous, Education Advisory Board; Justin Smorawske, Chris Bohlen, and Katie Levitt, Epicosity; Brittini Skipper, Bureau of Finance & Management; and Bob Mercer, Aberdeen American News.

TUESDAY, AUGUST 7, 2018

BOARD WORK

ROLL CALL:

Bastian – PRESENT
Mickelson – PRESENT
Morgan – PRESENT
Roberts – PRESENT
Schaefer – PRESENT
Thares – PRESENT
Wink – ABSENT
Schieffer – PRESENT

Regent Schieffer declared a quorum present and called the meeting to order at 1:36 p.m.

1-A Approval of the Agenda

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve the agenda with the addition of Item 8-K, DSU Donation Agreement, and the removal of Item 5-G (2), Agreements on Academic Cooperation-SDSU. The SDSU item was removed at the request of South Dakota State University. Motion passed.

IT WAS FURTHER MOVED by Regent Bastian, seconded by Regent Morgan, to remove Item 5-C (3), New Certificate Requests-SDSMT-Esports, and Item 5-K, FY19 Minnesota Reciprocity Agreement, from the Consent Agenda for discussion purposes. Motion passed.

1-B Declaration of Conflicts

No conflicts of interest were declared.

1-C Welcome by SDBOR President Kevin Schieffer

SDBOR President Kevin Schieffer welcomed attendees to the 2018 Board of Regents' annual planning session.

1-D Approval of the Minutes – Meetings on June 26-28, 2018; July 18-19, 2018; July 27, 2018

IT WAS MOVED by Regent Thares, seconded by Regent Schaefer, to approve the minutes of the meetings on June 26-28, July 18-19, and July 27, 2018. Motion passed.

1-E Reports on Individual Regent Activities

Regent Schieffer said that several good meetings were conducted at the time that Paul B. Beran was in South Dakota on July 27 to be appointed as the Board's next executive director and CEO. There were informal meetings with leaders representing the technical institutes and the Sioux Falls

School District, among others. Regent Schieffer said discussions are underway to have a joint board meeting with the Board of Regents and the Board of Technical Education.

A copy of the Reports on Individual Regent Activities can be found on pages ____ to ____ of the official minutes.

1-F Reports from Individual Presidents and Superintendents

A copy of the Reports from Individual Presidents and Superintendents can be found on pages ____ to ____ of the official minutes.

1-G Rolling Calendar

IT WAS MOVED by Regent Thares, seconded by Regent Mickelson, to approve the date and location of next year's Board of Regents meeting to be held on August 6-8, 2019, in Pierre. Motion passed.

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

PLANNING SESSION

Topics related to the planning session's theme, "The State of the Union: Mapping the Path Forward for Higher Education in South Dakota," were introduced.

2-A Funding Adequacy in the Regental System

Dr. Monte Kramer, System Vice President of Finance & Administration, reviewed the information he presented to the Legislative Research Council regarding rationale for how general funds are distributed among the state universities. One of the main reasons for the large variance in funding per student are direct appropriations from the legislature. Direct appropriations represent funding targeted for a specific program and provided to a specific institution. A list of those appropriations since 1984 was included in the presentation.

Dr. Kramer asked the Board if there was further direction on how to address so-called "funding adequacy" issues. Regent Morgan suggested one option is to bifurcate the analysis, grouping the three research institutions together and the three regional universities together for formula allocation purposes. Dr. Kramer said there are several options available to address this topic. However, some of those options are complicated and detailed. He said funding formulas that identify cost of program delivery, while digging further into base funding histories, may take 6-9 months to further analyze.

Performance funding models were also discussed. Some type of performance funding may be of interest to state appropriators, Dr. Kramer said, because other states are doing this too.

Dr. Paul Turman, System Vice President for Academic Affairs, presented a performance model that the South Dakota system has used in the past. He discussed how that model could be adapted

and used going forward. This model factors in performance in degree production, student FTE growth, research activity, and retention. These would ideally be generated using new resources available to the system.

Regent Schieffer asked the Board office and the presidents to work on this model and bring a more refined proposal back to the Board.

A copy of the Funding Adequacy in the Regental System can be found on pages _____ to _____ of the official minutes.

2-B Institutional Investment in Dakota's Promise

Dr. Paul Turman, System Vice President for Academic Affairs, explained that the Board of Regents identified need-based scholarship funding as one of its top priorities during the FY17 and FY18 budget-setting process. In FY18, the Board renamed the program as Dakota's Promise, yet retained the underlying assumptions that drove the projected need for South Dakota residents attending postsecondary institutions in the state. Dakota's Promise was not included as a budget priority in the Governor's budget for FY19, and institutional presidents continue to emphasize the importance of a comprehensive need-based scholarship program for the state.

To further evaluate the current state of affordability in the public university system in advance of the informal budget hearing in June 2018, a special analysis entitled "SDBOR Affordability Summary" was prepared and shared with the Board. To evaluate this further, the resident FTE percentages were applied against a set of projections for the Regental institutions and discussed with COPS at a July 2018 meeting. Presidents supported this approach of funding 50 percent of the projected costs and working with foundations and internal resources to cover their anticipated portion of the cost to fund Dakota's Promise.

There was discussion about what type of proposal would be best received by policymakers, and how the "private" dollars would be received and allocated. Dr. Paul B. Beran said using the term "scholarship" may be confusing; this is really an "equity grant." Dr. Turman said this proposal assumes that the student and their family bring a significant part of the cost of funding an education to the table first, before this new state funding is applied.

There was general agreement that the proposal should be limited to Pell Grant eligibility. Regent Schieffer said it is important to make this proposal as simple to understand as possible. He said he believes it has a greater success of passage if there is a private-money match involved.

A copy of the Institutional Investment in Dakota's Promise can be found on pages _____ to _____ of the official minutes.

IT WAS MOVED by Regent Morgan, seconded by Regent Roberts, that the Board of Regents dissolve into executive session at 5:30 p.m. on Tuesday, August 7, 2018, 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; that it adjourn at 7:30 p.m.; that it

reconvene in executive session at 2:45 p.m. on Wednesday, August 8, 2018, to discuss 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, all as shown on the published agenda; that it adjourn at 4 p.m.; that it resume the regular order of business on Thursday, August 9, 2018; and that it report its deliberations while in executive session during the appropriate Board agenda item. Motion passed.

WEDNESDAY, AUGUST 8, 2018

PLANNING SESSION (CONTINUED)

Regent Schieffer reconvened the meeting at 8:05 a.m.

2-C EAB State of the Union Presentation

John Tannous, director of research delivery with Education Advisory Board (EAB), presented and led discussion on pressing issues affecting the higher education landscape for systems around the country. The discussion facilitated with Board members and campus presidents focused on: 1) major business and financial challenges facing higher education in the future; 2) serving students of the future (issues such as free speech, diversity, Generation-Z, non-traditional students); and 3) challenges around the crisis of confidence in higher education (adequate state funding, public/private good, media vs. reality).

A copy of the EAB State of the Union Presentation can be found on pages ____ to ____ of the official minutes.

2-D Marketing/Communicating the Value of Higher Education

Dr. Janelle Toman, Director of Communications, noted that most marketing and advertising efforts within the South Dakota public university system have been conducted by individual universities. As the Board continues its work to improve educational attainment across the state, additional engagement may be necessary to increase public awareness of the importance of postsecondary education for the long-term viability of the state's economy and well-being of its citizens.

Dr. Toman introduced representatives of Epicosity, a Sioux Falls-based marketing firm, to discuss marketing strategy and a recommended scope of work that could lead to a possible Request for Proposal. Information about Epicosity's research into public engagement and a possible marketing theme were presented by Katie Levitt, creative director; Chris Bohlen, account executive; and Justin Smorawske, chief growth officer. Board members said they were most interested in communicating the value of a higher education in South Dakota to the state's citizens.

A copy of the Marketing/Communicating the Value of Higher Education can be found on pages ____ to ____ of the official minutes.

LUNCH FOR REGENTS, PRESIDENTS, AND STAFF

PLANNING SESSION (CONTINUED)

2-E FY20 Budget Development

The Board met with campus leadership in June to discuss preliminary budget priorities for Fiscal Year 2020. The following priorities were recommended for Board consideration: 1) Dakota's Promise; 2) Salary Competitiveness; 3) SD BOR Math Pathway; 4) General Fund M&R; and 5) South Dakota Opportunity Scholarship. Regent Roberts suggested an additional priority could be a request for inflation for public higher education operations that are funded by state general funds.

The Board reviewed the suggestions and asked fiscal staff to develop a budget to be submitted to the Governor's budget office by the end of August. The Board will take action on this budget request during its regular meeting tomorrow (August 9).

A copy of the FY20 Budget Development can be found on pages ____ to ____ of the official minutes.

RECEPTION AT GOVERNOR'S MANSION

THURSDAY, AUGUST 9, 2018

Regent Schieffer reconvened the meeting of the Board of Regents at 8:06 a.m.

PLANNING SESSION (CONTINUED)

2-F Short- and Long-Term Board Priorities

Dr. Paul Turman, System Vice President for Academic Affairs, stated that in October 2014 the Board of Regents adopted the SDBOR 2014-2020 Strategic Plan. As a formal statement of the Board's core goals, this plan provides a blueprint for advancing the university system's major priorities over the coming years. The plan identifies four priority areas – student success, academic quality and performance, research and economic development, and affordability and accountability. Each priority is tied to a set of goals, outcomes, and action steps.

Overall, the plan is meant to serve as a framework for facilitating systematic, goal-minded policymaking in the university system. With the appointment of a new Executive Director (and the fast approaching end date for the existing strategic plan), it is appropriate for the Board to begin discussing new strategic direction for the Regental system.

A copy of the Short- and Long-Term Board Priorities can be found on pages ____ to ____ of the official minutes.

2-G Special Analysis: Institutional Mission Statements

Dr. Jay Perry, System Assistant Vice President for Academic Affairs, shared a quote in a recent publication from the Association of Governing Boards of Universities and Colleges (AGB): “The mission of a college or university should serve as its North Star, the standard by which key decisions are made and strategic directions are set. It’s the reason the institution exists.” Therefore, Regents should familiarize themselves with the existing missions of each institution, as well as conduct periodic reviews to ensure those missions still serve their intended purpose.

The proposed policy revisions do not fundamentally alter the statutory- or Board-approved missions for Regental institutions. The proposed revisions align the policies with the stated objectives of Policy 1:10, recognize the approved academic program and curriculum areas at each institution, and establish the degree authorization for each institution.

Regents discussed the process for updating and refining these statements. Dr. Paul B. Beran suggested that the Board staff review and interpret what statutory language specifically says about institutional mission statements. Within that construct, the information should be disseminated to the presidents to make recommendations. The information can be brought back to the Board to review the parameters of each mission statement. After any clean ups, a mission and vision statement can be prepared for each institution.

A copy of the Special Analysis: Institutional Mission Statements can be found on pages _____ to _____ of the official minutes.

BOARD EXPECTATIONS OF AND DIRECTION FOR EXECUTIVE DIRECTOR BERAN

Regent Schieffer distributed a document outlining the Board’s expectations and directions for the incoming executive director, Dr. Paul B. Beran. Regent Schieffer said he intends to make this document public. He said it was important to be transparent with the many groups and partners that the BOR works with and he hopes to receive more feedback. Dr. Beran said he thought this would be an evolving document as time progresses.

As a Board, Regent Schieffer said this is intended as broad directive and it establishes an actionable plan. The Executive Director will be expected to provide updates and progress reports back to the Board.

IT WAS MOVED by Regent Morgan, seconded by Regent Mickelson, to adopt the Board Expectations of and Direction for Executive Director Beran. Motion passed.

A copy of the Board Expectations of and Direction for Executive Director Beran can be found on pages _____ to _____ of the official minutes.

CONSENT AGENDA

IT WAS MOVED by Regent Thares, seconded by Regent Bastian, to approve consent agenda items 5-A through 5-C (2), items 5-D through 5-J (3), and items 5-L and 5-M. Item 5-C (3) and

Item 5-K were both moved to another section of the agenda for discussion purposes. Item 5-G (2) was previously withdrawn at the request of South Dakota State University. Motion passed.

Academic and Student Affairs

5-A Graduation Lists

Approve the attached BHSU, NSU, SDSU, and USD graduation lists contingent upon the students' completion of all degree requirements.

A copy of the Graduation Lists can be found on pages _____ to _____ of the official minutes.

5-B (1) Program Review Requests – BHSU – Minor in Creative Writing

Authorize BHSU to offer the minor in Creative Writing as presented, including authorization for online delivery and delivery at Black Hills State University-Rapid City.

A copy of the Program Review Requests – BHSU – Minor in Creative Writing can be found on pages _____ to _____ of the official minutes.

5-B (2) Program Review Requests – BHSU – AS in Business Administration

Authorize BHSU to offer the Associate of Science in Business Administration as presented, including authorization for delivery at Black Hills State University-Rapid City.

A copy of the Program Review Requests – BHSU – AS in Business Administration can be found on pages _____ to _____ of the official minutes.

5-B (3) Program Review Requests – SDSMT – MS in Nanoscience and Nanoengineering

Authorize SDSMT to offer the Master of Science in Nanoscience and Nanoengineering as presented.

A copy of the Program Review Requests – SDSMT – MS in Nanoscience and Nanoengineering can be found on pages _____ to _____ of the official minutes.

5-B (4) Program Review Requests – USD – Minor in Sport Management

Authorize USD to offer the minor in Sport Management as presented.

A copy of the Program Review Requests – USD – Minor in Sport Management can be found on pages _____ to _____ of the official minutes.

5-C (1) New Certificate Requests – DSU – Mathematical Foundation of Cryptography

Authorize DSU to offer the certificate in Mathematical Foundations of Cryptography, including online delivery, as presented.

A copy of the New Certificate Requests – DSU – Mathematical Foundation of Cryptography can be found on pages _____ to _____ of the official minutes.

5-C (2) New Certificate Requests – USD – Professional Writing

Authorize USD to offer a certificate in Professional Writing as presented.

A copy of the New Certificate Requests – USD – Professional Writing can be found on pages _____ to _____ of the official minutes.

5-C (3) New Certificate Requests – SDSMT – Esports

<<Moved from Consent to Section 7>>

5-D (1) New Specialization Requests – USD – Specialization in Finance

Authorize USD to offer the specialization in Finance in the Master of Business Administration program, including online delivery, as presented.

A copy of the New Specialization Requests – USD – Specialization in Finance can be found on pages _____ to _____ of the official minutes.

5-D (2) New Specialization Requests – USD – Specialization in Analytics for Large Data Sets (MS in Physics)

Authorize USD to offer the specialization in Analytics for Large Data Sets in the Master of Science in Physics as presented.

A copy of the New Specialization Requests – USD – Specialization in Analytics for Large Data Sets (MS in Physics) can be found on pages _____ to _____ of the official minutes.

5- D (3) New Specialization Requests – USD – Specialization in Professional Writing (BA/BS in English)

Authorize USD to offer the specialization in Professional Writing in the Bachelor of Arts/Bachelor of Science in English programs as presented.

A copy of the New Specialization Requests – USD – Specialization in Professional Writing (BA/BS in English) can be found on pages _____ to _____ of the official minutes.

5-E Program Modification – Accelerated Program Request - USD

Approve the program modification request to allow for USD’s Master of Science in Physics to be offered as an accelerated program as described in Attachment I.

A copy of the Program Modification – Accelerated Program Request – USD can be found on pages _____ to _____ of the official minutes.

5-F High School Dual Credit Joint Powers Agreement

Approve the Joint Powers Agreement between the South Dakota Board of Regents and the South Dakota Department of Education to continue to provide for joint action between the agencies to provide opportunities under the High School Dual Credit program.

A copy of the High School Dual Credit Joint Powers Agreement can be found on pages _____ to _____ of the official minutes.

5-G (1) Agreements on Academic Cooperation – SD School of Mines & Technology

Approve the agreement on academic cooperation between South Dakota School of Mines & Technology and Jaypee University of Information Technology (JUIT).

A copy of the Agreements on Academic Cooperation – SD School of Mines & Technology can be found on pages _____ to _____ of the official minutes.

5-G (2) Agreements on Academic Cooperation – South Dakota State University

<<Item 5-G (2) was withdrawn from the agenda on August 2, 2018, at the request of South Dakota State University.>>

5-H Articulation Agreements – USD

Approve the articulation agreements between the University of South Dakota and 1) Lake Area Technical Institute, 2) Southeast Technical Institute, 3) University of Nebraska Medical Center, and 4) the University of North Dakota School of Medicine and Health Sciences.

A copy of the Articulation Agreements – USD can be found on pages _____ to _____ of the official minutes.

5-I USD Realignment Request – Division of Curriculum & Instruction

Approve USD's request to reorganize the Division of Curriculum & Instruction in the School of Education at the University of South Dakota as presented.

A copy of the USD Realignment Request – Division of Curriculum & Instruction can be found on pages _____ to _____ of the official minutes.

5-J (1) Naming Requests – NSU – Department Name Change

Approve NSU's request to rename its Office of Grants and Sponsored Research as the Office of Sponsored Projects.

A copy of the Naming Requests – NSU – Department Name Change can be found on pages _____ to _____ of the official minutes.

5-J (2) Naming Requests – SDSU – New Interim Department

Approve SDSU’s request to create a new interim academic unit, the Division of American & Global Studies.

A copy of the Naming Requests – SDSU – New Interim Department can be found on pages _____ to _____ of the official minutes.

5-J (3) Naming Requests – USD – Department Name Change

Approve USD’s request to rename the Department of Addiction Studies to the Department of Addiction Counseling and Prevention.

A copy of the Naming Requests – USD – Department Name Change can be found on pages _____ to _____ of the official minutes.

Budget and Finance

5-K FY19 Minnesota Reciprocity Agreement

<<Moved from Consent to Section 8>>

5-L BOR Policy 1:7:6 – Technology and Telecommunications Council Revisions (Second Reading)

Approve the second and final reading of BOR Policy 1:7:6 – Technology and Telecommunications Council, with the revisions as shown in Attachment I.

A copy of BOR Policy 1:7:6 – Technology and Telecommunications Council Revisions (Second Reading) can be found on pages _____ to _____ of the official minutes.

5-M M&R Projects (Greater than \$250,000)

Approve the NSU Administration Building – Tuck Point and Stair Replacement maintenance and repair project.

A copy of M&R Projects (Greater than \$250,000) can be found on pages _____ to _____ of the official minutes.

PLANNING, GOVERNANCE AND RESOURCE DEVELOPMENT

6-A Period for Public Comment

No public comment was offered.

6-B Report and Actions of Executive Session

Upon convening at 1:30 p.m. on Tuesday, August 7, 2018, the Board dissolved into executive session at 5:30 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 it rose from executive session at 7:30 p.m. The Board reconvened in executive session at 2:45 p.m. on Wednesday, August 8, 2018, to discuss 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, before adjourning at 4 p.m. The Board resumed the regular order of business on Thursday, August 9, 2018. 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 Morgan, seconded by Regent Thares, 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 request to grant tenure to Dr. Greg Farley (BHSU) and Dr. Elvira Sanatullova-Allison (NSU).
2. Approve the request for a one (1) year extension of time for tenure consideration for Crystal Levesque (SDSU).
3. Approve the salary adjustments and appointments as follows:
 - SDSU – Robert Korhman as VP for Finance and Administration, effective August 7, 2018, with an annualized salary of \$240,000;
 - SDSVBI – Nichole Nelson as Transition Specialist at an annualized salary of \$54,724, effective July 22, 2018;
 - USD – Kurt Hackemer as Interim Provost and VP for Academic Affairs, effective July 2, 2018, at an annualized salary of \$245,000; James Moran as VP for Accreditation and Student Success Initiatives at an annualized salary of \$220,000, effective June 22, 2018; Mike Card as Interim Executive Director of the University Center, effective June 22, 2018; Adam Rosheim as Interim Vice President for Finance and Administration effective June 22, 2018; Cheryl Tiaht as Assistant Vice President of Information Technology/Chief Information Officer.
4. Approve the contract for incoming SD Board of Regents Executive Director and Chief Executive Officer Paul Beran at an annualized salary of \$330,000 and an effective date of September 1, 2018.

Motion passed.

A copy of the Report and Actions of Executive Session can be found on pages ____ to ____ of the official minutes.

6-C Interim Actions

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

Academic and Student Affairs

7-A (1) Routine Informational Items – Section Size Report – FY2018

Dr. Paul Turman, System Vice President for Academic Affairs, stated that the annual Section Size Report evaluates the extent to which the state's six public universities continue to meet Board policy with respect to minimum enrollment per course section.

A copy of the Section Size Report – FY2018 can be found on pages ____ to ____ of the official minutes.

7-A (2) Routine Informational Items – Academic Leadership Training 2018

Dr. Paul Turman, System Vice President for Academic Affairs, stated that the Academic Leadership Training session was held July 26-27 in Pierre. Eligible personnel for this training included directors, department chairs, and deans who are in their first two years of employment at the institution. Dr. Turman said this training, first offered a year ago, is very well received. Board members encouraged system staff to continue to offer this professional development opportunity.

A copy of the Academic Leadership Training 2018 can be found on pages ____ to ____ of the official minutes.

7-A (3) Routine Informational Items – Program Review Reports – BHSU, DSU, SDSU & USD

The system has established a process requiring periodic reviews of all programs offered. The 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 assessment. The system's processes require each campus to maintain a schedule that indicates the time frame for the review of every program offered. For each program reviewed, the report (and any additional documentation as applicable) is posted and made available on the Academic Affairs Council's Institutional Program Reports webpage on the SDBOR website.

A copy of the Program Review Reports – BHSU, DSU, SDSU & USD can be found on pages ____ to ____ of the official minutes.

7-B NSF EPSCoR RII Track-1 Update

Nathan Lukkes, Assistant Vice President for Research & Economic Development, shared an update regarding the NSF EPSCoR RII Track-I submission. The National Science Foundation's (NSF) Established Program to Stimulate Competitive Research (EPSCoR) aims to enhance research competitiveness in targeted jurisdictions by strengthening STEM capacity and capability. The cornerstone of the NSF EPSCoR program is the Research Infrastructure Improvement Program Track-1 (RII Track-1) award, which is typically a five-year \$20 million award issued to jurisdictions on a competitive basis, with each jurisdiction allowed one proposal when they are eligible to submit. South Dakota is concluding year 4 of its current five-year \$20 million award. The award notification for the pending proposal, which was due on July 31, is anticipated in late spring of 2019.

In March of this year, the SD Research Excellence: A Critical Hallmark (REACH) Committee, which serves as the EPSCoR Steering Committee for the state, selected a biofilms proposal, led by a team from SDSM&T with collaboration from USD and SDSU, to serve as the scientific core of the state's RII Track-1 submission. Given the structural transition of the EPSCoR office to within the BOR office and after numerous discussions with Research Affairs Council and consultation with Kelvin Chu from the Implementation Group (EPSCoR consultant), it was determined that the best way to proceed with the RII Track-1 submission was to have the BOR office submit the proposal, with the BOR office then issuing sub-awards to the participating institutions. The foregoing provides a clean and clear organizational structure, both for the stakeholders within the state, as well as for NSF, while also maximizing F&A recovery at the campus level. Additionally, this approach paves the way for a more efficient and effective coordination of the various EPSCoR programs operating within the state (E.G., NIH, NASA, etc.), which will ultimately reduce administrative costs, leaving more funding available to carry out programmatic activities at the campus level. The primary fiscal management will be handled via existing campus personnel, with grant funding covering the requisite staff time to fulfill this function. This approach will ultimately reduce the overall administrative FTE/cost required for the program(s) through better utilization of our existing resources within the system.

A copy of the NSF EPSCoR RII Track-1 Update can be found on pages ____ to ____ of the official minutes.

7-C Institutional Updates on Free Speech Policy Revisions

Dr. Paul Turman, System Vice President for Academic Affairs, reported that seven different Board policies related to free speech are under review. Those drafts will be shared and processed through the internal system councils. Institutional administrators are also reviewing their campus-level policies for revision or elimination. SDSU President Barry Dunn said it is important for the Board to know that at most campuses within the system, the campus-level policies are already updated in time for the start of the 2018 fall semester.

A copy of the Institutional Updates on Free Speech Policy Revisions can be found on pages ____ to ____ of the official minutes.

5-C (3) New Certificate Requests – SDSMT – Esports

SDSM&T President Jim Rankin said the study of Esports fits right in with engineering and science study. More than 80 universities across the country already have teams involved in Esports.

IT WAS MOVED by Regent Morgan, seconded by Regent Bastian, to authorize SDSM&T to offer the certificate in Esports as presented. Motion passed.

A copy of the New Certificate Requests – SDSMT – Esports can be found on pages _____ to _____ of the official minutes.

BUDGET AND FINANCE

8-A BOR Policy 4:49 Revisions – Multi-Year Employment Contracts (First Reading)

Kayla Bastian, System Director of Human Resources, noted that BOR Policy 4:49 was approved in March 2016 to allow for multi-year contracts for NCAA Division I head coaches and athletic directors as well as university presidents. The Board Athletic Committee has met twice and discussed with the SDSU and USD presidents and athletic directors about the opportunity to change the policy to allow for a five-year contract. The market for college athletics continues to evolve and it is commonplace for head coaches and athletic directors to have contracts of five years or more.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve the first reading of the proposed revisions to BOR Policy 4:49 – Multi-Year Employment Contracts. Motion passed.

A copy of the BOR Policy 4:49 Revisions – Multi-Year Employment Contracts (First Reading) can be found on pages _____ to _____ of the official minutes.

8-B FY20 Budget Request

Dr. Monte Kramer, System Vice President of Finance & Administration, and Leah Ahartz, Budget Manager, brought forward the budget priorities previously discussed. The Board approved the following priorities to be submitted to the Governor's budget office:

- Dakota's Promise needs-based scholarship program for the public universities funded with 50 percent general funds and matched with funds from campus foundations;
- A salary competitiveness request equaling 1.5 percent for all faculty that would supplement the state salary package;
- A general fund maintenance and repair request that would keep M&R funding at the same level as FY19, which was 1.76 percent of the replacement values.
- Operating budget inflation increase equal to 2.2 percent of the general-funded operating expense budget, excluding utility funding.

The request represents a 4.2 percent increase in the Board's general fund base, not including the state salary package which the Board is directed not to include in the request.

IT WAS MOVED by Regent Roberts, seconded by Regent Bastian, to approve the FY20 Budget Request to include the priorities identified in the attachment, to direct the staff to prepare and submit the FY20 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 FY20 Budget Request can be found on pages ____ to ____ of the official minutes.

8-C SDSBVI New School Facility Design Plan

Dr. Monte Kramer, System Vice President of Finance & Administration, and SDSBVI Superintendent Marjorie Kaiser requested approval of the Facility Design Plan for the new Blind and Visually Impaired School Building to be constructed on the previous location of Jerde Hall on the campus of Northern State University. Legislative approval of the estimated project cost of \$13,558,993 was received through House Bill 1071 during the 2018 legislative session, which allowed additional funds from any source to be accepted. The building committee met on July 20, 2018, and approved the design and guaranteed maximum price of \$11,962,182 and a total estimated cost of \$14,347,916. The funding for the project will be provided through private dollars and a \$2.5 million grant from the Governor's Office of Economic Development. Additional details of the Facility Design Plan can be found in the attachment.

IT WAS MOVED by Regent Thares, seconded by Regent Morgan, to approve SDSBVI's Facility Design Plan with a guaranteed maximum price of \$11,962,182 and a total budget of approximately \$14.3 million for design and construction of the new School for the Blind and Visually Impaired. Motion passed.

A copy of the SDSBVI New School Facility Design Plan can be found on pages ____ to ____ of the official minutes.

8-D SDSU Campanile Avenue Utility Upgrades Preliminary Facility Statement

Dr. Monte Kramer, System Vice President of Finance & Administration, and SDSU President Barry Dunn requested approval of the Preliminary Facility Statement for the design and construction of utility, parking, and site improvements within and parallel to the right-of-way of Campanile Avenue. SDSU understands that the project is to be bid in such a way that the determination of the appropriate costs to be billed to the parking system can be easily determined. SDSU also requested exemption from the remainder of the Capital Improvement Project process due to the nature of the project as an infrastructure maintenance and repair project.

IT WAS MOVED by Regent Roberts, seconded by Regent Schaefer, to approve SDSU's Preliminary Facility Statement for design and construction of utility, parking, and site improvements within and parallel to the right-of-way of Campanile Avenue and to exempt the

project from the remainder of the Capital Improvement Project process due to the maintenance and repair nature of the project. Motion passed.

A copy of the SDSU Campanile Avenue Utility Upgrades Preliminary Facility Statement can be found on pages ____ to ____ of the official minutes.

8-E SDSU Southeast University Neighborhood Redevelopment Amended Facility Design Plan

Dr. Monte Kramer, System Vice President of Finance & Administration, and SDSU President Barry Dunn requested approval of the amended Facility Design Plan to include the student support/dining site concept. During the preliminary planning, space was reserved on the site for a student support/dining site of approximately 2,500 square feet that would be appended to the south end of the apartment building. The size and type of store were not known at that time. This amendment provides additional information related to the space.

The student support/dining site will be a Starbucks coffee shop located on the south end of the 156-bed apartment building. The single story student support/dining site will be an addition to the three-story apartment building. The site will have a street presence on Jackrabbit Lane. The student support/dining site will include a study and social gathering space that will be available outside business hours of the dining site. The total cost of the dining site is:

<i>Construction Cost Estimate</i>	
Facility shell	\$ 600,792
Franchise fit out, finishes, & furnishings	\$ 900,000
Total Construction costs	\$1,500,792
Site, Utilities, Landscaping (included with apartment building costs)	
Design/Owner Contingency (7.5% allowance included with construction cost estimate)	
Construction Contingency (10% allowance included with construction cost estimate)	
CM@R Fees (included with the construction cost estimate)	
<i>Non-construction Costs</i>	
Design and Consultant Fees	\$ 150,000
OSE & SDSU Project Management	\$ 10,000
Total Non-construction Costs	\$ 160,000
Appliances & Accessories (included with franchise furnishings)	
Security & Network Equipment (included with apartment building costs)	
<i>Total Project Costs</i>	\$1,660,792

Project funding will come from Aramark. Additional details of this amended Facility Design Plan can be found in the attachment.

IT WAS MOVED by Regent Roberts, seconded by Regent Bastian, to approve SDSU's Amended Facility Design Plan for the Southeast Neighborhood Redevelopment project and to approve the

guaranteed maximum price of \$18,406,333, and a total estimated project cost of \$22,396,171. Motion passed.

A copy of the SDSU Southeast University Neighborhood Redevelopment Amended Facility Design Plan can be found on pages ____ to ____ of the official minutes.

8-F SDSU Acceptance of Gift – Airplane

Dr. Monte Kramer, System Vice President of Finance & Administration, and SDSU President Barry Dunn requested approval to accept a gift of a 1967 7KCAB American Champion Citabria Aircraft presented by Joseph Vogel in support of the Aviation Education Specialization. SDSU's chief aviation mechanic inspected the airplane and found it to be within standards. The estimated value of the aircraft is \$48,089. President Dunn said this is a great asset to the SDSU Aviation Program and many students will benefit from Mr. Vogel's generous gift.

IT WAS MOVED by Regent Roberts, seconded by Regent Thares, to approve SDSU's request to accept the gift of a 1967 7KCAB American Champion Citabria aircraft from Joseph Vogel with an estimated value of \$48,089. Motion passed.

A copy of the SDSU Acceptance of Gift – Airplane can be found on pages ____ to ____ of the official minutes.

8-G USD FY19 Residence Hall Fee Adjustment – Brookman Hall

Dr. Monte Kramer, System Vice President of Finance & Administration, and USD President Sheila Gestring requested approval to convert rooms in Brookman Hall to doubles in an attempt to solve a housing shortage. The double room rate of \$1,989.00 per semester is requested for any rooms used as doubles. The current estimate is that only five rooms will be converted.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to approve USD's request for a double room rate for Brookman Hall of \$1,989.00 per semester. Motion passed.

A copy of the USD FY19 Residence Hall Fee Adjustment – Brookman Hall can be found on pages ____ to ____ of the official minutes.

8-H (1) Routine Informational Items – Building Committee Report

A review of the actions taken by building committees since the last Board meeting was provided.

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

8-H (2) Routine Informational Items – Capital Project List

An updated list of Capital Projects was provided to the Board.

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

8-H (3) Routine Informational Items – FY19 Operating Budgets

With the passage of the FY19 General Bill [HB1320](#), the Board of Regents received an overall increase to the general fund base of \$2,894,336, representing a 1.4 percent increase. That does not include the 1.2 percent employee compensation package that was passed by the Legislature and appropriated in a statewide pool. A summary was provided of the legislative action on the FY19 budget as well as the FY19 operating budgets 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, System Issues (Federal Grants, Utilities-Energy Conservation, System Initiatives, Competitive Research and Innovative Research Grants, HEFF Projects and Lease Payments, Governor’s Research Centers, SD Opportunity Scholarship, etc.), Regents Information Systems, Regents Library Consortium, Enrollment Services Center, and Academic Initiatives.

A copy of the Routine Information Items – FY19 Operating Budgets can be found on pages ____ to ____ of the official minutes.

8-I BOR Policy 1:30 – Unmanned Aircraft Systems Policy Revisions (First and Final Reading)

Nathan Lukkes, Assistant Vice President for Research & Economic Development, explained that the current version of BOR Policy 1:30 classifies all unmanned aircraft systems (UAS) use as either “institutional UAS use” or “private UAS use.” Institutional UAS use is defined as “any UAS use by university employees or students as part of their university employment or as part of a university program,” with private UAS use defined as “all UAS operation that is not institutional UAS use, which includes model aircraft.” Section C.7 of BOR Policy 1:30 goes on to set forth a number of restrictions applicable to private UAS use. The issue that brought about the proposed revisions is when universities contract with third parties for services that require the operation of UAS. This scenario does not fit squarely into the definition of institutional UAS use, but it was also not intended to be subject to the limitations imposed on private UAS use contained in the policy. As such, the revisions to BOR Policy 1:30 set forth in Attachment I are intended to address this issue by creating a new definition for “contracted UAS use,” which is then excluded from the definition of private UAS use. Additionally, a new section C.8 imposes certain insurance requirements for all contractors or third parties conducting contracted UAS use.

IT WAS MOVED by Regent Roberts, seconded by Regent Morgan, to (1) waive the two-reading requirement of By-Laws Section 5.5.1, and (2) approve the first and final reading of BOR Policy 1:30 with the revisions as shown in Attachment I. Motion passed.

A copy of the BOR Policy 1:30 – Unmanned Aircraft Systems Policy Revisions (First and Final Reading) can be found on pages ____ to ____ of the official minutes.

8-J (1) NSU Easement Resolutions – City of Aberdeen

Nathan Lukkes, Assistant Vice President for Research & Economic Development, said Northern State University requests that the Board adopt the resolution set forth in Attachment I of the agenda item requesting the grant of an easement to the City of Aberdeen for street right-of-way, water, sanitary and storm sewers, drainage, and other utilities or structures associated with the operation and maintenance of street. The proposed easement is consistent with and supports NSU's campus development plans. The existing street is extremely narrow and will not adequately accommodate the increased traffic flow that is projected to result from the construction of the Great Plains East and Great Plains West residence halls and associated parking lots.

IT WAS MOVED by Regent Roberts, 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 easement as stated therein. Motion passed.

A copy of the NSU Easement Resolutions – City of Aberdeen can be found on pages ____ to ____ of the official minutes.

8-J (2) NSU Easement Resolutions – Northwestern Energy

Nathan Lukkes, Assistant Vice President for Research & Economic Development, shared that Northwestern Corporation (doing business as Northwestern Energy) seeks to obtain an easement to install, maintain, and operate underground electrical cables within land occupied by Northern State University. Power is currently provided via an overhead powerline that runs across NSU's property adjacent to Herret Street between 15th Avenue SE and 17th Avenue SE. The proposed underground line will optimize the development of the area, including the accommodation of adequate parking. The new underground electrical line does not unnecessarily interfere with NSU's use of the land.

IT WAS MOVED by Regent Roberts, 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 easement as stated therein. Motion passed.

A copy of the NSU Easement Resolutions – Northwestern Energy can be found on pages ____ to ____ of the official minutes.

8-K DSU Donation Agreement

Nathan Lukkes, Assistant Vice President for Research & Economic Development, stated that Dakota State University (DSU) requests authorization to proceed with finalizing and executing the Sanford Health Donation Agreement set forth in Attachment I (Donation Agreement) of the agenda item. Pursuant to the terms of the Donation Agreement, Sanford Health will contribute \$5 million, payable in 10 annual installment payments to the DSU Foundation. Given the dollar amount involved and associated commitments, Board approval of this agreement is necessary. DSU President Griffiths provided the Board with additional context regarding the arrangement with Sanford Health and the provision of sports medicine services to DSU student athletes.

IT WAS MOVED by Regent Roberts, seconded by Regent Schaefer, to authorize DSU to proceed with finalizing the draft agreement set forth in Attachment I and to execute the final agreement upon the approval of the Executive Director. Motion passed.

A copy of the DSU Donation Agreement can be found on pages ____ to ____ of the official minutes.

5-K FY19 Minnesota Reciprocity Agreement

Dr. Monte Kramer, System Vice President of Finance & Administration, said South Dakota has had a tuition reciprocity agreement with the state of Minnesota since 1978. Each year, the Board must approve rates for the program based on the current agreement. The agreement provides that the visiting student will pay the higher of their home-state tuition and fees or the campus attended.

It was noted by Regent Morgan that the ratio of reciprocity students attending in South Dakota compared to Minnesota is about 3:1, and has been very consistent for the last three years.

IT WAS MOVED by Regent Roberts, seconded by Regent Bastian, to approve the Minnesota reciprocity rates for FY19 and authorize the Executive Director to execute the Memorandum of Understanding. Motion passed.

A copy of FY19 Minnesota Reciprocity Agreement can be found on pages ____ to ____ of the official minutes.

ADJOURNMENT

IT WAS MOVED by Regent Schieffer, seconded by Regent Bastian, to adjourn at 10:13 a.m. Motion passed.