

**BOARD OF REGENTS
MINUTES OF THE MEETING
August 9-11, 2011**

The South Dakota Board of Regents met on August 9-11, 2011 in the Club Buzz Room in the David B. Miller Yellow Jacket Student Union at Black Hills State University in Spearfish, South Dakota, with the following members present:

Kathryn Johnson, President
Dean Krogman, Vice President
Randy Schaefer, Secretary
Terry Baloun, Regent
James Hansen, Regent
Harvey Jewett, Regent
Randy Morris, Regent
Carole Pagones, Regent
Patrick Weber, Regent

Also present during all or part of the meeting were Jack Warner, Executive Director and CEO; James Shekleton, General Counsel; Monte Kramer, System Vice President for Administrative Services; Sam Gingerich, System Vice President for Academic Affairs; Janelle Toman, Director of Communications; Michelle Anderson, Internal Auditor; Janice Minder, Director of Human Resources; Paul Turman, Associate Vice President for Academic Affairs; Gary Johnson, System Vice President of Research; Paul Gough, Director of Policy and Planning; Molly Weisgram, Executive Administrative Assistant; James Abbott, USD; David Chicoine, SDSU; Doug Knowlton, DSU; Kay Schallenkamp, BHSU; James Smith, NSU; Robert Wharton, SDSM&T; Marjorie Kaiser, SDSBVI and SDSD; Mark Lee, UC-Sioux Falls; Pricilla Romkema, Kathleen Parrow, Lynne Munger, Warren Wilson, DeeAnn Dorfschmidt, Dawn Kennedy, Danielle Brady, Bonnie Alberts, Curtis Card, Pat Simpson, Joe Rainboth, Lois Flagstad, Nancy Grassel, Timothy Martinez, Kristi Pearce, Rajeev Bukralia, Mitch Hopewell, Corinne Hansen, Sarah McFarland, Brittney Seith, David Henny, BHSU; Claudean Hluchy, BOR staff; Rory Fenske and Brett Monson, Student Federation; Ida Marie Snorteland, citizen; students, faculty and members of the press.

EXECUTIVE SESSION

AUGUST 9, 2011

IT WAS MOVED by Regent Hansen, seconded by Regent Pagonos that the Board dissolve into executive session at 6:30 p.m. on Tuesday, August 9, 2011, in order to discuss personnel matters; that it adjourn at 8:30 p.m. and reassemble on Wednesday, August 10, 2011, at 7:30 a.m. through 5:00 p.m. for its retreat; meet on Thursday, August 11, 2011, at 7:30 a.m. with local legislators; reconvene in executive session at 11:00 a.m. in order to discuss personnel matters; and that it rise from executive session at 12:00 p.m. to resume the regular order of business, and otherwise to adhere to the schedule for executive sessions at the times and for the purposes as set forth in the published agenda for the meeting, with the report of deliberations in all executive sessions being delivered on Thursday, August 11, 2011, when the Board reconvenes at approximately 2:00 p.m. All members voting AYE. The MOTION CARRIED.

AUGUST 11, 2011

Regent President Johnson called the meeting of the Board of Regents to order at 1:40 p.m. and declared a quorum present.

Regent Schaefer reported that upon convening in open session at the time and place announced on its published agenda, the Board adopted a motion to dissolve into executive session at 6:30 p.m. on Tuesday, August 9, 2011 in order to discuss personnel matters; and that it adjourn at 8:30 p.m. and reassemble on Wednesday, August 10, 2011, at 7:30 a.m. through 5:00 p.m. for its retreat; meet on Thursday, August 11, 2011, at 7:30 a.m. with local legislators; reconvene in executive session at 11:00 a.m. in order to discuss personnel matters, rise from executive session at 12:00 p.m. to resume the regular order of business, and otherwise adhere to the schedule for executive sessions at the times and for the purposes as set forth in the published agenda for the meeting, with the report of deliberations in all executive sessions being delivered on Thursday, August 11, 2011, when the Board reconvenes at approximately 2:00 p.m.

APPROVAL OF THE AGENDA

Dr. Warner referenced the following revised items: Item K-12 Cooperative Extension Service Leases, Item K-14 Meeting Schedule for 2012, and Item M FY13 Budget Request.

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to approve the agenda as printed and distributed. All members voting AYE. The MOTION CARRIED.

APPROVAL OF THE MINUTES

IT WAS MOVED by Regent Morris, seconded by Regent Hansen to approve the minutes of the June 2011 meeting as printed and distributed. All members voting AYE. The MOTION CARRIED.

MOMENT OF SILENCE

Regent President Johnson asked for a moment to reflect upon an incident in Rapid City 10 days ago where two Rapid City police officers were shot and killed and the third one was shot and is currently in recovery. She said the event has special meaning for this body. One of the officers, Nick Armstrong, was an alumnus of Black Hills State University. The officer that was injured and is recovering is an alumnus of the South Dakota School of Mines and Technology. She said these officers were all known to the South Dakota School of Mines since it contracts with the Rapid City Police Department for campus security. She explained that these officers were regularly seen doing their job on campus. She asked that the group observe a moment of silence in the officers' honor.

REPORT AND ACTIONS OF EXECUTIVE SESSION

Regent Schaefer reported that while in executive session, the Board considered personnel matters, pending and prospective litigation, collective bargaining, contract matters and gave directions to its executive director and general counsel concerning these matters.

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

1. 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.
2. Approve awarding two (2) years of prior service credits toward tenure for Jessica Meendering (SDSU).

All members voting AYE. The MOTION CARRIED.

REPORT OF THE COUNCIL OF PRESIDENTS AND SUPERINTENDENTS

Dr. Warner reported that the Council of Presidents and Superintendents met a few weeks ago in Pierre and covered the major items that were up for discussion at the Board's retreat held the last couple of days and the action items on this agenda.

REPORT FROM INDIVIDUAL PRESIDENTS AND SUPERINTENDENTS

President Schallenkamp thanked the Regents on behalf of Black Hills State University for meeting on campus the last couple of days and their attention to all of the details during those meetings. She also wanted to express appreciation for their willingness to look at an alternate agenda enabling them to be here during the school year when the students, faculty, and staff will be there to greet them as a body.

REPORT AND ACTIONS OF THE EXECUTIVE DIRECTOR

Dr. Warner thanked President Schallenkamp and Black Hills State University for their hospitality over the last several days.

Dr. Warner referenced the actions taken by the Executive Director on behalf of the Board since the last meeting. A copy of the Interim Actions can be found on pages ____ to ____ of the official minutes.

STUDENT FEDERATION REPORT

Brett Monson, Executive Director of the Student Federation, reported that his summer held many adventures including focused studies in agriculture in Costa Rica and Africa.

He reported that the students are gearing up to go back to school. He said that the student governments have been working diligently to schedule legislative visits, which enable them to speak with legislators and promote the higher education theme. He said the Student Federation looks forward to working together with the Regents.

Regent President Johnson explained to Mr. Monson that the Regents are planning to host a series of Town Hall Meetings across the state. She said they will be creating a message that they will be presenting to the citizens of these communities. She asked that Mr. Monson work with Dr. Janelle Toman, BOR staff, to share that message so they can keep consistency in their messaging.

INFORMATIONAL ITEMS

Regent President Johnson referenced the Informational Items on the agenda and indicated that if a Regent would like to discuss any of the items, he or she could certainly do so.

Institutional Items of Information

The institutional items of information are provided from BHSU, DSU, NSU, SDSMT, SDSU, and USD. A copy of the Institutional Items of Information can be found on pages ____ to ____ of the official minutes.

Building Committee Report

Through building committees the following items were approved: Northern State University's Student Center Renovation and Addition – approved the bid for the project that came from JDH Construction; and the University of South Dakota's North Complex and Commons Renovation – Facility Program Plan. A copy of the Building Committee Report can be found on page ____ of the official minutes.

FY2011 Section Size Report

Dr. Daniel Palmer gave information on South Dakota's public university system FY2011 course section size. The annual *Section Size Report* evaluates the extent to which the state's six public institutions continue to meet Regental policy with respect to the minimum number of students required per course section.

Regent President Johnson took note of the average class size increase. She said that there are two sides to the equation: one is the overall reduction in sections because of the budget cuts and the other is an increase in enrollments. She said this really strikes at what is happening at our campuses.

A copy of the FY2011 Section Size report can be found on pages ____ to ____ of the official minutes.

2011 Athletic Academic Report

Dr. Palmer gave information on athlete academic performance across the six Regental institutions. The system level report provides a comparison of athletes and non-athletes for six cohorts (2004-05, 2005-06, 2006-07, 2007-08, 2008-09, and 2009-10).

This report indicates that South Dakota athletes perform very well academically at least performing as well and sometimes better than their non-athlete peers. A copy of the 2011 Athletic Academic Report can be found on pages ____ to ____ of the official minutes.

2009-2010 Minimum Progression Standards Report

Dr. Palmer shared system data for students who met and students who did not meet Regental minimum progression benchmarks during the 2009-2010 academic year. A copy of the 2009-2010 Minimum Progression Standards Report can be found on pages ____ to ____ of the official minutes.

Early Alert System Review

Dr. Paul Turman gave information on the system's work to implement an early alert system that would work to improve student retention by targeting at-risk students by fully integrating and analyzing existing data sources.

Dr. Turman reiterated that the Board received \$1.5 million from the state legislature in one-time funds during the most recent legislative session. About \$400,000 of that was devoted to an early alert system that would be used across the Regental institutions. He explained that the RFP process is currently underway to select a vendor to provide an early alert system. They hope to have the system implemented by next fall.

Regent Krogman suggested that the Board office look very closely at Dakota State University's early alert product. He discussed the implications of supporting our own universities and the

economic development opportunities this creates. Regent Morris seconded that sentiment. Regent Schaefer asked that they look at the RFP process as a learning opportunity to help develop DSU's product as well.

Dr. Turman said they have included DSU as one of the vendors they are reviewing. He mentioned that the problem is that their piece falls into the middle category. He explained that DSU's alert notification is a seamless process that comes from faculty. He said that Black Hills also has a very similar process and mechanism to do this. He said the question is whether or not their tool can incorporate two other pieces that creates an enterprise-level tool that accomplishes all three goals they'd like to achieve. Dr. Turman said he also needs to know if this goal can be accomplished with only \$400,000. Also, from an ongoing perspective, he explained that the Board will need to know what the cost will be to the system and the institutions if DSU is selected to develop the product. He said, in the end, the Board will need to know if the system will be able to use the product for free.

Regent Baloun emphasized that we first need to identify what it is we'd like to accomplish. He said that determining an outcome is part of the RFP process. He said if we have someone who has the strength to do all the things we need, we will use them. But we shouldn't only accomplish 60% of our goals.

Dr. Warner reinforced that point and reminded the Board that the legislature gave the money to the Board with the expectation that there would be a deliverable within a reasonable period of time. He said the RFP process is designed to get us to the vendor that can give us the product and get it implemented within the timetable that we promised so there is a result. If Dakota State or any other vendor, Black Hills for that matter, can show that they can develop and deliver on that promise, then they'll get the deal.

Dr. Turman said he will bring updates to the meeting in October. A copy of the Early Alert System Review can be found on pages ____ to ____ of the official minutes.

2009-2010 Teacher Education Accountability Report

Dr. Palmer gave a summary of the annual *Teacher Education Accountability Report* which provided a data-driven snapshot of the five teacher education units in the Regental system with respect to an array of performance measures.

A copy of the 2009-2010 Teacher Education Accountability Report can be found on pages ____ to ____ of the official minutes.

CONSENT CALENDAR

Regent President Johnson said the consent calendar contains a large number of items and asked for a motion to approve the entire consent calendar, however, she said if a Regent has an item on the consent calendar that they have a question on or a desire for clarification they should ask.

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

Program Modifications – USD

Approve the program modification requests from USD for the Coaching Minor, Business Administration Minor, and the Bachelor of Arts, Bachelor of Science, or Bachelor of Liberal Studies in the College of Arts and Sciences. A copy of the USD Program Modifications request can be found on pages ____ to ____ of the official minutes.

Program Terminations – DSU

Approve the termination requests for DSU for the Not-for-Profit Management and the Programming and Systems Development certificate programs. A copy of the DSU Program Terminations request can be found on pages ____ to ____ of the official minutes.

International Agreements – USD and CET Academic Programs

Approve the international agreement between USD and CET Academic Programs. A copy of the International Agreements – USD and CET Academic Programs request can be found on pages ____ to ____ of the official minutes.

International Agreement – USD and World Learning Inc/School for International Training

Approve the agreement between USD and World Learning Inc/School for International Training. A copy of the International Agreement – USD and World Learning Inc/School for International Training request can be found on pages ____ to ____ of the official minutes.

International Agreement – USD and Pazmany Peter Catholic University, Piliscsaba, Hungary

Approve the international agreement between USD and Pazmany Peter Catholic University, Piliscsaba, Hungary. A copy of the International Agreement – USD and Pazmany Peter Catholic University, Piliscsaba, Hungary request can be found on pages ____ to ____ of the official minutes.

International Agreement – USD and Carl Von Ossietzky University of Oldenburg, Germany

Approve the agreement between USD and the Carl Von Ossietzky University of Oldenburg, Germany. A copy of the International Agreement – USD and Carl Von Ossietzky University of Oldenburg, Germany request can be found on pages ____ to ____ of the official minutes.

International Agreement – USD and The Friedrich Schiller University of Jena, Germany

Approve the agreement between USD and The Friedrich Schiller University of Jena, Germany. A copy of the International Agreement – USD and The Friedrich Schiller University of Jena, Germany request can be found on pages ____ to ____ of the official minutes.

International Agreement – USD and World Endeavors, LLC, Minneapolis, Minnesota

Approve the agreement between USD and World Endeavors, LLC, Minneapolis, Minnesota. A copy of the International Agreement – USD and World Endeavors, LLC, Minneapolis, Minnesota request can be found on pages ____ to ____ of the official minutes.

International Agreement – BHSU and University of Ljubljana, Ljubljana, Slovenia

Approve the agreement between BHSU and University of Ljubljana, Ljubljana, Slovenia. A copy of the International Agreement – BHSU and University of Ljubljana, Ljubljana, Slovenia request can be found on pages ____ to ____ of the official minutes.

Graduation Lists

Approve the graduation lists for BHSU, NSU, SDSU, and USD 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.

Resolutions of Recognition

Recognize Harlan Harley for 11 years and Dennis Jager for 17 years of dedicated service to SDSU and the public higher education system of South Dakota. A copy of the Resolutions of Recognition can be found on pages ____ to ____ of the official minutes.

SDSU Reorganization and Renaming Departments in the College of Agricultural and Biological Sciences

Approve the proposed reorganization and naming changes to the College of Agriculture and Biological Sciences. A copy of the SDSU Reorganization and Renaming Departments in the College of Agricultural and Biological Sciences request can be found on pages ____ to ____ of the official minutes.

Policy 3.4 – Student Conduct Code

Approve changes to *Policy 3:4 – Student Conduct Code*. A copy of *Policy 3:4 – Student Conduct Code* can be found on pages ____ to ____ of the official minutes.

Policy 3:22 – Public Access to Student Directory Information

Approve the change to *Policy 3:22 – Public Access to Student Directory Information*. A copy of *Policy 3:22 – Public Access to Student Directory Information* can be found on pages ____ to ____ of the official minutes.

Policy 4:27 – Drug Free Environment

Approve the change to Policy 4:27 – Drug Free Environment under the stipulation that campus presidents notify the Executive Director when a facility is designated. A copy of *Policy 4:27 – Drug Free Environment* can be found on pages ____ to ____ of the official minutes.

BOR Policies 4:34 and 1:6, Clarification of Intellectual Property Ownership

Approve the recommended changes to Board Policy No. 4:34 and Board Policy No. 1:16 in order to confirm that title to employee created intellectual properties will vest in the Board, to provide express authorization for presidents and superintendents to protect and to manage intellectual properties created by institutional employees; and

Adopt Special Resolution 45-2011 to ratify and to confirm actions permitted under Board of Regents policies, and consistent with state or federal law or regulation, undertaken by institutional executive officers to acquire title to intellectual properties in the name of their institutions and to manage such properties on behalf of their institutions. A copy of BOR Policies 4:34 and 1:6, Clarification of Intellectual Property Ownership can be found on pages ____ to ____ of the official minutes.

Cooperative Extension Service Leases

Approve the attached lease between South Dakota State University and Blackstone Developers, LLC, for portions of a structure located at 13 Second Avenue Southeast in Aberdeen, and formerly known as the Federal Savings and Loan Building; Lemmon School District 52-4 for portions of a structure located at 408 8th Street West in Lemmon, and commonly known as the Armory; Mitchell School District 17-2/Mitchell Technical Institute for two properties, between October 2011 and October 2013, a portion of a building known as “MTI North Campus” at 821 North Capital Street in Mitchell, and from October 2013 through October 2016, a portion of a building to be owned and constructed by MIT and to be known as the “MTI South Campus” located on or near the address known as 1800 East Spruce Street in Mitchell; 412 W. Missouri, LLC, for portions of a structure located at 412 West Missouri Avenue in Pierre, and commonly known as the Kenyon Building; Muth Properties, LLC, for portions of a structure located at 1530 Samco Road in Rapid City, and formerly known as the United States Department of Agriculture Muth Building; and South Dakota School for the Deaf for a property located at 2001 East Eighth Street on the campus of SDSU in Sioux Falls.

Unless the requisite documents have been duly prepared for approval at the August 11, 2011 meeting, and are approved at that time, authorize South Dakota State University to enter into leases for facilities located in Watertown, and Winner, upon the approval of the Executive

Director, and direct SDSU to submit such leases to the Board at its October 12-13, 2011 meeting for ratification. A copy of the Cooperative Extension Service Leases can be found on pages ____ to ____ of the official minutes.

Maintenance and Repair – Fee Projects

Approve South Dakota State University's request for University Student Union Parking Lot Modifications. A copy of the Maintenance and Repair – Fee Projects request can be found on pages ____ to ____ of the official minutes.

2011 Meeting Schedule

Approve the proposed meeting schedule for 2012. A copy of the 2012 Meeting Schedule can be found on page ____ of the official minutes.

Minnesota Reciprocity Rates

Approve the Minnesota Reciprocity Rates for FY12 and authorize the Executive Director to execute the Administrative Memo of Understanding with MNHESO. A copy of the Minnesota Reciprocity Rates can be found on pages ____ to ____ of the official minutes.

All members voting AYE. The MOTION TO APPROVE THE CONSENT CALENDAR CARRIED.

USD – NORTH COMPLEX AND COMMONS RENOVATION – FACILITY DESIGN PLAN

Approve USD's Facility Design Plan to renovate the North Complex Lobbies and Commons infrastructure at an estimated cost of \$1,350,000. Funding for this project will come from existing housing and food service revenues.

IT WAS MOVED by Regent Weber, seconded by Regent Schaefer to approve the Facility Design Plan for USD's North Complex and Commons Renovation. All members voting AYE. The MOTION CARRIED. A copy of the USD – North Complex and Commons Renovation – Facility Design Plan can be found on pages ____ to ____ of the official minutes.

FY13 BUDGET REQUEST

Claudean Hluchy summarized the FY13 Budget Request that the Board has indicated as highest priorities as discussed at their 2012 open-session retreat. She summarized that the Board deemed salary policy highest priority for funding, and although we cannot provide the request in writing as directed by the Governor's office, she explained that we verbally emphasizing it as the highest priority. The request will include a replacement of Stimulus III money of \$10.6 million, one-time funding item of \$4 million dollars (of which \$2 million would focus on student success and the other \$2 million would be for a research revolving fund to further the research agenda), one-time funding of \$338,000 NSU's E-learning program. The request will also include \$5.2 million for

healthcare workforce development in order to try to keep up with the needs of the healthcare industry. The last request is for \$2.4 million for a Physics Ph.D. program.

The total request sums to \$22.5 million (of which \$10.6 million is not new money) and does not include the salary policy money.

Regent Jewett emphasized that the Board has met for two days in open meetings discussing these possibilities.

Regent Weber wanted to clarify that \$4 million of the request is one-time money, and \$8 million of the request is base, reoccurring money. Regent Baloun clarified that \$10.6 million was money that was previously in our base and is being replenished so will be taken out right away.

Regent President Johnson said the Regents are looking to invest in initiatives that promote the priorities of the state and universities. She said these priorities are clear: developing workforce, student success, and research. This budget, even though the numbers can look rather large, is very consistent with the priorities and the assignments the Board has been tasked. She said their job is to identify the budget items that can further the identified priorities.

IT WAS MOVED by Regent Hansen, seconded by Regent Krogman to approve the FY13 Budget Request and to direct the staff to prepare and submit the FY13 Budget Request detail and justification to the Bureau of Finance and Management and to refine any budget request figures as necessary. All members voting AYE. The MOTION CARRIED. A copy of the FY13 Budget Request can be found on pages ____ to ____ of the official minutes.

On another issue, Regent Krogman asked for clarification on why the system cannot accept payment through credit cards. Dr. Kramer explained that we do accept credit cards for tuition payment. He said we do not accept the VISA card as they do not allow us to add a credit card fee of 2.75% as we do with the other credit cards. This fee pays for the program that allows the system to accept credit cards. Instead of charging all students, even those who do not use credit cards to pay for tuition, all institutions decided to charge the fee to only those students who chose to pay in this way. He clarified that we do accept Discover, MasterCard, and American Express.

President Schallenkamp introduced BHSU's new provost Dr. Rodney Custer who started on August 1, 2011.

ADJOURN

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to adjourn the meeting of the full Board at 2:20 p.m. All members voting AYE. The MOTION CARRIED.