

**BOARD OF REGENTS
MINUTES OF THE MEETING
June 29-30, 2011**

The South Dakota Board of Regents met on June 29-30, 2011 in the Habeger Science Center, Room 133 at Dakota State University in Madison, 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
Carole Pagones, Regent
Randy Morris, Regent
Patrick Weber, Regent

Also present during all or part of the meeting were Jack Warner, Executive Director and CEO; James Shekleton, General Counsel; Sam Gingerich, System Vice President for Academic Affairs; Janelle Toman, Director of Communications; Michelle Anderson, Internal Auditor; Paul Turman, Associate Vice President for Academic Affairs; Gary Johnson, System Vice President of Research; Paul Gough, Director of Policy and Planning; Janice Minder, Director of Human Resources; Heather Forney, Financial Compliance Officer; Claudean Hluchy, Budget Manager; Monte Kramer, System Vice President of Administrative Services; Dave Hansen, Regents Information System; Mary Turman, Executive Administrative Assistant; Molly Weisgram, Executive Administrative Assistant; James Abbott, USD; David Chicoine, SDSU; Doug Knowlton, DSU; Kay Schallenkamp, BHSU; James Smith, NSU; Robert Wharton, SDSM&T; and Marjorie Kaiser, SDSBVI/SDSD; Mark Lee, UC-Sioux Falls; Anthony Sutton, Rebecca Powell, Mike Ravenhorst, Jameson Berreth, Mark York, Carsen Dinger, Doug Wermedal, Marysz Rames (SDSU); Rhoda Smith, Rebecca Allen, Tom Hawley, Don Erlenbusch (NSU); Kathy Johnson, Lois Flagstad, Mike Isaacson, Kristi Pearce (BHSU); Pat Mahon (SDSM&T), Cecelia Wittmayer, Marie Lohsandt (DSU); R. Lee Ginsbach (SDSBVI/SDSD); Roberta Ambur, Sheila Gestring, David Sayler, Ron Lindahl, Rod Parry (USD); Laura Hayden-Moreland (CUC); Shad Christman (SDSF/SDSU); Katie Wagner, Collin Michels (SDSF/USD); Rory Fenske (SDSF/SDSM&T); Juan Valdez (SDSF/DSU); (BOR Staff); students, faculty and members of the press.

TUESDAY, JUNE 28, 2011

The Regents convened in open session at 6:00 p.m. on Tuesday, June 28, 2011, in Room 133 of the Habeger Science Center at Dakota State University.

IT WAS MOVED by Regent Hansen, seconded by Regent Morris that the Board of Regents Convene and Dissolve into Executive Session at 6:00 p.m. on Tuesday, June 28, 2011, in order to discuss personnel matters; that it adjourn at 9:00 p.m. and reconvene in executive session at 8:00 a.m. on Wednesday, June 29, 2011, in order to discuss personnel matters; pending and prospective litigation, collective bargaining, contract matters, and that it rise from executive session at 1:30 p.m. to resume the regular order of business and to report its deliberations in executive session. All members voting AYE. The MOTION CARRIED.

WEDNESDAY, JUNE 29, 2011

Regent President Kathryn Johnson called the meeting of the Board of Regents to order at 1:45 p.m. on June 29, 2011, and declared a quorum present.

REPORT AND ACTIONS OF EXECUTIVE SESSION

Upon convening at 6:00 p.m. on Tuesday, June 28, 2011, the Board dissolved into executive session in order to discuss personnel matters. As shown on the official agenda, it adjourned at 9:00 p.m. and reconvened in executive session at 8:00 a.m. on Wednesday, June 29, 2011, in order to discuss personnel matters; pending and prospective litigation, collective bargaining, contract matters, rising from executive session at 1:30 p.m. to report its deliberations in executive session and to resume the regular order of business.

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

IT WAS MOVED by Regent Hansen, 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, that it:

1. Approve the personnel actions as submitted by the Board office, campuses, and special schools and to include the details of such actions in the official minutes.
2. Approve the FY12 Presidential and Superintendent Salaries and to include the details of such actions in the official minutes.
3. Identify concerns or questions related to the outsourcing of janitorial services.
4. Accept USD's recommendations for tenure for Edward Valandra.
5. Approve the request to grant a one (1) year leave without pay for Dimitrios Anagnostou and for Jason Hower (SDSM&T).
6. Approve awarding Michael Batchelder the title of Professor Emeritus of Electrical and Computer Engineering and Gregory Buck the title of Professor Emeritus of Mechanical Engineering (SDSM&T); and awarding the title of Dean Emeritus of the Briggs Library

to David Gleim and the title of Professor Emerita of Plant Science and Associate Dean of the Graduate School to Diane Rickerl (SDSU).

7. Approve the leave request for George Langelett for the spring of 2012 semester and rescind the request of leave for Matthew Hansen for the 2011-2012 academic year (SDSU).
8. Approve BHSU's request to grant rank and tenure to Rodney Custer at the time of his appointment as provost.

All members voting AYE. The MOTION CARRIED.

APPROVAL OF THE AGENDA

IT WAS MOVED by Regent Baloun, seconded by Regent Hansen to approve the agenda for the meeting as printed and mailed. All members voting AYE. The MOTION CARRIED.

APPROVAL OF THE MINUTES

IT WAS MOVED by Regent Hansen, seconded by Regent Krogman to approve the minutes of the May 19-20, 2011 meeting as printed and distributed. 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 on June 14 in Pierre where they discussed most of the items that appear on the agenda for this meeting. He reported that they talked about the planning for their role in implementing common core standards designed to help high school students be more college ready when they graduate. He said South Dakota has implemented these standards along with 42 other states in the country. He reported that he has been working on engaging the English Discipline Council and Mathematics Discipline Council in taking a look at the English and mathematics portions of the assessments being developed by the Smarter Balance Consortium. They are also engaging the Education Discipline Council because teachers in the high schools will need help in the development of curriculum and instruction to deliver on those standards more effectively. He said they believe they can have an important professional development role to play in this and will also be revamping the teacher preparation programs to help teach future teachers how to implement these kinds of standards. They are working with the Secretary of Education and her staff as well as engaging faculty on these questions to be in a position to have a better aligned system when the new assessments are implemented in 2014. They also did a follow up to the Student Success Conference that was held recently. Several institutions have developed plans to enhance student success based on feedback they received on their plans at the conference and will keep that a high priority moving ahead. Finally, they talked about the audit findings and the importance of reducing the number of findings they've been experiencing in the audit process.

REPORT OF INDIVIDUAL PRESIDENTS AND SUPERINTENDENTS

President Knowlton welcomed everyone and introduced the audience to the Habeger Science Center. He explained some of the touch screen applications that can be found throughout the building that help students and visitors understand energy consumption and how to maintain a green building. He explained they are currently doing an infrastructure project on campus and are redoing the library and a few other projects that are a part of that infrastructure. Dr. Knowlton recognized Pat Keating, facility director, and said he balances, juggles, and manages the huge physical plant.

He also introduced the Cyber Corps Scholarship at DSU. He explained that Dr. Josh Pauli received a \$1.2 million dollar reward from the National Science Foundation to establish a new cyber security scholarship that will pay for a group of students' last two years of college and provide them an internship in Washington, DC and a guaranteed job at the CIA for the National Security Agency in Washington out of graduation.

President Knowlton invited everyone to a picnic after the board meeting at his home. He also recognized Mary Turman by giving her flowers in honor of her last board meeting.

REPORT AND ACTIONS OF THE EXECUTIVE DIRECTOR

Dr. Warner recognized Dr. Monte Kramer who successfully defended his dissertation this Monday.

He then drew the group's attention to the SDSU and USD athletic facilities referenced in agenda items S, T and U, which will be discussed. He wanted to make sure everyone understood that these facilities are proposed only with the support of fundraising and other outside revenue generation not with student fees or state funds.

Regent Jewett had a question about the Curriculum Requests in the Interim Actions of the Executive Director. Dr. Sam Gingerich explained that the actions are a reflection of a college catalog clean-up. Dr. Warner explained further by saying it is usual for colleges to have more courses in the catalog than are actually offered. He said if the classes have not actually been offered for a number of years, though, it is good practice to delete them from the catalog. Regent Jewett asked for clarification of the courses with the words "delete" and "inactivate" next to them. Dr. Gingerich explained that "delete" indicates that the courses will not be offered again and will be completely be taken off the catalog. "Inactivate" indicates that the courses could be reactivated but currently will not be offered.

Dr. Warner referenced the Interim Actions taken by the Executive Director on behalf of the Board of Regents. A copy can be found on pages _____ to _____.

STUDENT FEDERATION REPORT

In his absence, Shad Christman, assistant director of the South Dakota Student Federation, sat in for Brett Monson, student federation executive director. He reported that the students met the

previous evening with four universities represented. The group has been working to gather a legislative list, creating an issue and advocate network to build more face time with state legislators and local government. They are also working on a newsletter that will be sent to the Board and legislators that will come out once a month and more often during session. He said they are changing their logo and doing other things to make themselves more professional and presentable.

At the next meeting they will vote on revamping their bylaws and constitution to make them more adequate for their purposes. They also have their first resolution with a list of goals they developed last meeting; this formalizes their goals which are to work on better communication with students, Board, and legislators, increase student voting throughout the state, pronounce their stance on student issues, promote the Good Samaritan alcohol policy, and help to give international and out-of-state students a voice in the state legislature.

Mr. Christman said the student federation will not meet at the August meeting. Their next meeting will be held in October. Regent President Johnson said that she appreciates their ambitious agenda.

SOUTH DAKOTA SCIENCE AND TECHNOLOGY PLAN AND SOUTH DAKOTA BIOSCIENCE INITIATIVE

Dr. Gary Johnson presented the South Dakota Science and Technology Plan and South Dakota Bioscience Initiative.

Dr. Johnson reported that the RCC met June 8, 2011 at Cedar Shores in Oacoma, SD to have the annual review of the progress of the 2010 Research Centers and approve the budgets for the Centers for FY12. The budgets were approved at a 6% reduction for FY12.

He also reported that the REACH Committee met June 8-9, 2011 at Cedar Shores in Oacoma, SD. At the meeting a statement was shared from the Governor that charged REACH with developing an implementation plan for the strategic planning framework that the REACH Committee had developed last fall. Dr. Bill Harris (Director of the Science Foundation of Arizona and founding director of the Science Foundation of Ireland) and R. Erich Bloch (former NSF Director), who served as facilitators for the meeting, summarized their observations and provided REACH with suggestions on how they might proceed. The Governor indicated that he would like to receive a strategic plan for positioning South Dakota as a global leader in research and technology by this fall. The Board will get an update on how the consultants suggest the group should go forward on developing the Science and Technology plan at the August board meeting.

An additional agenda item was added concerning an “Animal Biotechnology Research Center Business Plan” presentation by GOED consultant Dr. Mark Walton. Dr. Walton’s recommendation, approved by the RCC membership, was to pursue a \$2.1 million Northern Plains Bioscience Institute award through the Jobs and Innovation Accelerator Challenge grant opportunity through the Economic Development Administration, Employment, and Training

Administration, Small Business Administration via a proposal due July 7, 2011 to build an animal biotechnology institute.

The entities involved are Sanford Research, several venture capital companies that exist in the state, several bioscience companies (including Hematech and Exemplar Genetics), and universities. The rough draft of the proposal has four of our universities participating in one form or another: USD (Dr. Dan Engebretson from the Gear Center), SDSM&T (Dr. Todd Menkhaus), SDSU (in the area of genomics), and BHSU (in the area of genomics). This is envisioned to be a 501 c 3 not-for-profit entity. The institute will not be a physical facility. There will be an office in Sioux Falls with some of the research going on at the Gear Center. The emphasis will be on developing a GLP, Good Laboratory Practice Facility, including a training component. The Universities' portion particularly in Gear is a pilot scale therapeutic re-agents facility and medical devices facility which brings in Drs. Engebretson and Menkhaus.

The REACH Committee will continue to follow and participate in both the Science and Technology Plan development and will participate in the Northern Plains Bioscience Institute as the evolution of this concept continues.

Regent Hansen asked who in the university system will be in control of the project. Dr. Johnson said it has not yet been determined, but ultimately the Regents would be in control of the project. The proposal's rough draft which is under development by the consultant will require a commitment for utilization of the Gear Center for laboratory space and the faculty participation will have to be authorized by their universities.

Regent Krogman said that he thinks this is clear as mud. He said there are four state entities overlapping, so he also doesn't understand who is leading the project. Dr. Johnson said the initiative is being funded primarily by the Governor's Office of Economic Development. Regent Jewett asked whether or not GOED is going to direct the research. Dr. Johnson said GOED is only funding the consultant's work to do the study.

Regent President Johnson said that GOED was allocated funds of \$60,000 that could be used to drive the proposal of which half of that has been spent to date. At the last REACH meeting, they authorized the use of the second half of the \$60,000 to be spent to prepare the bioscience initiative proposal application that is going to be submitted to the federal government. In addition there is \$300,000 that was committed a couple of years ago to the Ready Fund that could be matching money for this bioscience initiative. This happened two or three years ago, so this effort has been going on for some time but has morphed into something different than was originally anticipated. The state's Science and Technology Plan and the Bioscience Initiative do overlap, but they really are two different things. The Science and Technology plan was intended to be a much broader base plan than the specifics of the Bioscience Initiative.

Dr. Warner said he doesn't think there is a clear answer to the question of who is in charge. He said the Governor's Office of Economic Development has a prominent role in this. The Governor himself plays a role. The Board and universities play a role in their research and related efforts. There is no clear lead you could point to.

Regent Jewett said he doesn't think that politically influenced research has been successful anywhere. Either because the politics of it lost interest and went on to fund something else before it could get done or because it was influenced by factors other than science.

Regent Schaefer asked where the Regents should go with this information. Regent President Johnson said this is informational and they need to keep apprised of how it moves forward. A lot will be told whether this proposal that is being submitted on July 7 is successful or not.

Regent Krogman said he has a problem with commercializing research in animal areas when you have four private entities listed but doesn't see where veterinary science at SDSU that has all the research capabilities is included. He said they haven't been mentioned at all.

Dr. Johnson said that the people who are working in animal science or animal research, veterinarians or not, could certainly participate in the Bioscience Science Institute.

Regent President Johnson said originally the plan was to create a large animal center, but now the plan has morphed into a laboratory practice, developing protocol, methods, so on, to do lab and manufacturing at this high level of sophistication. She said the veterinary sciences are in the game but most of this has come out of the 2010 Research Centers.

A copy of the South Dakota Science and Technology Plan and South Dakota Bioscience Initiative can be found on pages _____ to _____ of the official minutes.

NEW PROGRAM: SDSM&T MINOR IN ROBOTICS

Dr. Paul Gough presented a new program proposal by SDSM&T for a Minor in Robotics. SDSM&T already has an M.S. in Robotics & Intelligent Autonomous Systems (approved in 2009). He said that South Dakota companies use robotics in manufacturing and design. The minor will provide students with a competitive edge when they seek employment. SDSM&T also expects the minor to be helpful in recruiting students to its graduate program.

IT WAS MOVED by Regent Morris, seconded by Regent Schaefer to approve the New Program: SDSM&T Minor in Robotics. All members voting AYE. The MOTION CARRIED. A copy of the New Program: SDSM&T Minor in Robotics can be found on pages _____ to _____ of the official minutes.

NEW SITE REQUEST: BHSU B.S. IN PSYCHOLOGY, RAPID CITY

Dr. Gough presented a site request by BHSU to offer the B.S. in Psychology at University Center in Rapid City. Delivery in Rapid City would serve students who cannot commute to Spearfish to complete this major. Students could maintain their jobs and enroll in evening courses. The Psychology major prepares students for careers and for admission to graduate programs. BHSU notes that Psychology graduates have gone on to a variety of careers including school psychology, clinical psychology, social services, medicine, and law. Self-support tuition will provide the resources needed to offer the courses for the major in Rapid City. The University does not request new State resources for off-campus delivery.

IT WAS MOVED by Regent Jewett, seconded by Regent Pagonos to authorize BHSU to deliver its B.S. in Psychology in Rapid City. All members voting AYE. The MOTION CARRIED. A copy of the New Site Request: BHSU B.S. in Psychology, Rapid City can be found on pages _____ to _____ of the official minutes.

STUDENT HEALTH INSURANCE (FY12)

Dr. Janice Minder presented the FY12 renewal rates for the Avera Health Plan, which has been the health plan of record since 2007-2008 for student health insurance. The proposed FY12 rates come with an increase in premiums of 4.64%. The division of insurance has allowed us to remain on the plan for one additional year; however, next year there will be changes.

IT WAS MOVED by Regent Hansen, seconded by Regent Schaefer to approve the FY12 Avera Health Plan premiums. All members voting AYE. The MOTION CARRIED. A copy of Student Health Insurance (FY12) can be found on pages _____ to _____ of the official minutes.

UNIVERSITY CENTERS ANNUAL REPORT

Dr. Paul Turman introduced the three University Centers, explaining that a representative from each will give brief highlights about his/her Center.

Ms. Laura Hayden-Moreland from Capital University Center in Pierre gave the report for Ron Woodburn who was on vacation. She reported that the Center is out of the flood plain, so they are able to provide classes this summer. They've also added new minors to their program listings. This last year they added CLEP testing so students no longer have to travel to the universities to obtain those credits. That goes along with their non-traditional student focus and student body. She explained that they are working with the Ready Adult program and younger students, who are earning credits from CUC toward their degrees. Those working at CUC are technically SDSU employees, but they work with all the universities since their students are gaining degrees from all the universities. Regent President Johnson asked how Ms. Hayden-Moreland sees the University Center changing in the next few years. Ms. Hayden-Moreland said they continue to add classes as students request them; the last they added was criminal justice. Also because of the technology available to them, DDN and other technologies, they are able to share the expertise of different instructors across the state.

President Kay Schallenkamp presented for Dean Meyers who is on vacation. She said the University Center – Rapid City opened its new facility on April 7, 2011. They've had incredible responses from students and community members who have had the opportunity to tour the facility. At this point, they are ahead of where they were projected to be in terms of enrollments. She said she thinks that having everyone in one place is going to be a real asset for them in a building that is designed for adult learners. President Schallenkamp expressed appreciation for Dr. Wharton and SDSM&T for their hospitality in the last several years as they tried to address the needs of their students in Rapid City. President Schallenkamp said there are additional programs that have been added in the last year. The MBA program for the Rapid City area is finishing its first year of operation. They will begin an associate's degree in banking and

financial services from Northern in the spring of 2012. She explained that Dr. Meyers is currently working with DSU to offer a program through them as well. She said the future is looking good for the University Center in Rapid City. Regent President Johnson asked President Schallenkamp about the new budget for the Rapid City facility. President Schallenkamp said that in the past when the University Center was housed at SDSM&T, they paid rent. But, when they were housed at the air force base, the facility was free. Now they are responsible for all costs of the University Center including snow removal, security, painting parking lots, etc. They anticipate they will need to bring in an additional \$400,000 just to stay even with where they were in the past. President Schallenkamp announced that they are in the process of a search for the Dean of the University Center - Rapid City; the first review of the applications will be on July 22. Once the position is filled, Dean Meyers will retire. Regent Baloun asked where the bond payment comes from. President Schallenkamp said it's funded through HEFF. Regent Hansen asked if there are any fundraising activities in Rapid City to help the Center with funds. President Schallenkamp said they have been engaged in conversations with the mayor and with Black Hills Vision people, but at this point they have not been successful. She hopes that now that the Center is open and people see the potential in the Center for Rapid City in particular, they will be more successful in fundraising efforts. Fundraising is in the new Dean's job description. Dr. Warner asked if the extra \$400,000 in operating costs, translates into an enrollment growth goal for the Center. President Schallenkamp said, yes, the charge to the staff at the University Center has been to increase the enrollment dramatically. She said they are currently ahead in enrollment as to where they projected they would be at this time.

Mark Lee, Executive Dean at University Center – Sioux Falls, highlighted FY11. He said FY2011 was another good year for the Center in terms of operations. They set new enrollment records. He also explained that last March 2010, Governor Rounds signed Senate Bill 106 authorizing construction of a 50,000 square foot facility on their north site, allowing them to move out of the building that leased on the Southeast Technical Institute campus. They intend to occupy this new building starting in August 2011. That means that 17 months from date of the governor's signature, they will be up and running in the new building. Another highlight for the Center this year was that the San Francisco Bay Bernard Osher Foundation provided a \$1 million dollar endowment to their Osher Lifelong Learning Institute at the University Center plus a \$50,000 operating bridge grant which permanently secures the future of the Lifelong Learning Institute at the University Center which served nearly 600 older adults in non-credit bearing classes. In addition to that, because of the original relationship established, that same foundation awarded a \$50,000 grant to be administered as part of the Osher Re-Entry Scholarship Program, which is a scholarship program that awards scholarships to needy adult students who are pursuing academic credentials. The program operates in a similar way to the Lifelong Learning Institute; that is if they prove up their ability to successfully administer this fund, they have an opportunity to be awarded another \$1 million endowment. They are working very hard to successfully administer the program and their first round of scholarship awards under that program will be for this fall. Mr. Lee said he feels that the Board has developed a highly brandable concept in the University Centers. The notion across the state now is gaining some definition and meaning and understanding. He really believes that as the Centers mature and as the Centers' relationships mature with the Board there is an opportunity to be aided and bolstered through common messaging, promotion, and reporting that would help everyone. Mr. Lee said the annual report includes a lot of numbers and metrics and summaries and graphs, but it also

tries to provide some context for the Center's mission, the services it provides, and the environment in which it operates. Each Center is unique in how it's administered, the communities it serves, and the service it brings. Therefore the metrics are important but so is the context in which they operate. Mr. Lee thanked the universities and the partners of the University Center as well as the Board who clearly sees the beneficial impact in extending life changing higher educational opportunities to more citizens in South Dakota through these Centers.

Regent Jewett said he sees that only a little over 10% of credit hours are graduate courses. Mr. Lee said that a couple of things have happened in that arena. He said USD has taken most of their MBA classes on-line. The MBA classes used to be the single biggest graduate program onsite, and since it's online they don't report any of those credit hours even if the students are from Sioux Falls. They added an MBA program from Dakota State University this year. He said that has yet to gain big traction in the community although it has started to grow. He also said they don't have a master's programs in education which tends to be pretty popular onsite. They are talking about some strategies to bring those on. The other thing is that within the framework of Forward Sioux Falls and the Sioux Falls Development Foundation, they are grasping for a way to put more emphasis on graduate programs from the state universities in Sioux Falls also, so hopefully there is dialog there as well. They believe there should be a stronger graduate program and they believe it should grow and hopefully it will. Regent Jewett said that this is almost exclusively driven by the universities, and we are missing the boat if we drag our feet on offering graduate courses in the largest city and school district in the state. If we don't offer these, the clients will go somewhere else at twice the cost. He feels there is a critical need for this. Regent Hansen asked if the Gear Center is at full capacity. Mr. Lee said the Gear Center is in process of having the bottom floor built out and built up.

Regent Baloun followed up on Regent Jewett's comments about the graduate programs at the Center. He wanted to urge the Center and the campuses to offer more graduate programs as he thinks that's one of our competitive advantages, leveraging off the strength of all the universities over the local competitors.

Regent Jewett asked about the 600 students who are classified as "not for credit" or "not intended to graduate." Mr. Lee said those are the individuals who are part of the Osher Lifelong Learning Institute, which is a program fully funded by a grant from the Osher Foundation plus the membership dues that these individuals pay. University Center – Sioux Falls happens to be a site for the program. Mr. Lee said the courses are those that could be affiliated with a university environment, such as Mid-East Politics, Spanish, geology, field trips. Regent Jewett said he would like to see the list of classes. Mr. Lee explained that these classes are short-term classes and they are different than a university courses. There are 100 universities that host this sort of program for people 55 and older. Regent Jewett explained that he would like to have courses offered by our universities that aren't necessarily directed to only the undergraduate student but also to life-long learners. Mr. Lee said they have a Visitor Program that allows a student/individual to sit in on a course without credit for a lesser price. This program has had modest success opposed to the Lifelong Learning Institute which has gained a lot of interest.

A copy of the University Centers Annual Report can be found on pages _____ to _____ of the official minutes.

BOR POLICY 2:32 DEFINITION AND ASSIGNMENT OF CREDIT HOURS

Dr. Sam Gingerich explained that the policy manual changes proposed for Policy 2:32 Definition and Assignment of Credit Hours address one of the requirements established in the program integrity rules published by the U.S. Department of Education last year that requires institutions to establish and hold to common standards as credit hours are assigned and awarded. This step is being taken to ensure that real and perceived weaknesses in the awarding of financial aid, an activity tied directly to the credit hour, can be addressed. The system does have practices in place that ensure compliance with these requirements. However, these are not reflected in any formal policy statement. The proposed policy codifies these practices while clearly establishing that conceptually the “seat time” definitions of the credit hour should be recast to capture the concept that the credit hour reflects a standard of expected student mastery. These federal regulations go into effect July 1, 2011. The policy brings the system into alignment with the practices already in effect.

IT WAS MOVED by Regent Hansen, seconded by Regent Morris to approve the proposed policy 2:32, Definition and Assignment of Credit Hours. All members voting AYE. The MOTION CARRIED.

FY10 AUDIT REVIEW

Heather Forney explained that the FY10 Statewide Comprehensive Annual Financial Report (CAFR) was released on May 20, 2011. There are two written audit findings for the BOR system. Ms. Forney said she, as the Financial Compliance Officer, has prioritized the Posted Auditor Adjustments based upon the level of significance and materiality of the dollar amounts. The adjustments and corrective action have been discussed with financial representatives at each campus and steps are being taken to have the corrective action in place prior to the end of fiscal year 2011.

Regent Krogman said that the findings are concerning and they should not be underplayed. He said the finding that bothered him most was the inability to balance the cash between the Banner system and the state’s system. He asked how this can be reconciled. Ms. Forney said that they are working on cash reconciliations differently than they have in the past and they have made the changes in Banner and put other things into place to make the reconciliations. Ms. Forney said she is working with the Legislative Audit Office to make sure the system is addressing all of their concerns.

Regent Johnson said they’ve dealt with this the last few years. They’ve made corrections and changes including the addition of Ms. Forney’s position, so it is troubling to see these findings. Regent Johnson asked Ms. Forney how far they have come in correcting themselves since she started working with the board staff. Ms. Forney said they’ve made a significant number of changes in their compliance module as far as policies and procedures go. They work together on a weekly basis to talk about the issues and concerns that come up. Ms. Forney said she researches policies and procedures that other regental institutions in other states have as far as FASB requirements. She said she deals closely with different members of Legislative Audit and the Bureau of Finance and Management to get a feel for their issues and concerns and how to

address them. She has asked Legislative Audit for their priority list, so we can address it. They responded by saying that we are making great strides and they anticipate that they will see significant improvements in the future. Ms. Forney also said that the time Legislative Audit spent on our audit as well as the cost of the audit has decreased from the year before, so she sees both of these decreasing numbers as indicators of their improvement.

Regent Schaefer said he appreciates that Ms. Forney works with Legislative Audit staff to ensure we are taking the correct actions. He encouraged her to work with them consistently so surprises are minimized.

A copy of the FY10 Audit Review can be found on pages _____ to _____ of the official minutes.

SOUTH DAKOTA BUILDING AUTHORITY REVENUE BONDS, SERIES 2011

Dr. Monte Kramer and General Counsel Jim Shekleton explained that the actions requested in the item involve the standard procedure for issuing Building Authority bonds. Dr. Shekleton explained that the Building Authority, at the request of the Board of Regents, has agreed to finance “the Project” (Jones Hall and Library at BHSU; Spafford Hall, Krikac Auditorium, and Various Buildings at NSU; Heating Plant and Various Buildings at SDSU; and Various Buildings at USD) through the issuance of tax-exempt bonds (“Revenue Bonds”). The Building Authority advised the Board staff that the Revenue Bonds are expected to be priced and sold within the following parameters: the principal amount of the Revenue Bonds shall not exceed an amount which will finance construction costs not to exceed \$13,233,800, the last stated maturity date of the Revenue Bonds will not be later than June 1, 2036, the yield on the Revenue Bonds for arbitrage purposes will not exceed 7.0%, the purchase price of the Revenue Bonds to be paid by the underwriter will not be less than 99.0% of the principal amount of the Revenue Bonds, and the underwriter’s discount (as measured as a percentage of total proceeds of the Revenue Bonds) shall not exceed 0.8%. Dr. Kramer commented that the projected interest rate for the issue will be around 3.5-4%.

As is authorized by statute, the Board will transfer jurisdiction over the improved property transferred to the Building Authority as collateral for the Revenue Bonds, and it will lease the improved property back from the Building Authority, pursuant to a supplement of its existing lease with the Building Authority, and make payments for the Higher Education Facilities Fund to retire the lease. Once the construction bonds, or any subsequently issued refinancing bonds, have been retired, the property will be reconveyed to the Board.

They asked the board to adopt a single resolution that will (1) request the Building Authority to go forward with issuing bonds to fund the Projects, (2) authorize the formal transfer of jurisdiction over the necessary property or structures to the Building Authority, (3) amend the lease agreement between the Board and the Building Authority to reflect the new transactions and (4) authorize the Board President and the Executive Director to execute, to acknowledge and to deliver such documents and instruments as may be required to finance the Projects pursuant to the resolution.

IT WAS MOVED by Regent Jewett, seconded by Regent Hansen to adopt Special Resolution No. 1-2011 by a roll-call vote, which will:

- A. Request the Building Authority to proceed with the issuance of revenue bonds (“Revenue Bonds”) to finance costs of the Projects defined below, together with such additional amount of bonds as shall be required to pay costs of issuance of such bonds.
- B. Authorize the President of the Board and the Executive Director to execute an instrument of transfer to effect the transfer of jurisdiction over the affected real property for the Projects.
- C. Authorize the President of the Board and the Executive Director to execute a supplement to the existing lease between the Board and the Building Authority. This lease establishes the basis for the continued occupancy and use of the premises by the Board and outlines the conditions of payment to the Building Authority for such occupancy and use.
- D. Authorize the officers of the Board and the Executive Director to take such other actions and the execute such other documents as may be required to carry out the actions approved pursuant to such special resolutions.

VOTE TO ADOPT SPECIAL RESOLUTION NO. 1-2011

AYE: Jewett, Johnson, Krogman, Morris, Pagonos, Schaefer, Weber, Baloun, Hansen

NAY:

MOTION CARRIED.

A copy of the South Dakota Building Authority Revenue Bonds, Series 2011 can be found on pages _____ to _____ of the official minutes.

AMENDMENT TO BOND COVENANTS

Dr. Monte Kramer and General Counsel Jim Shekleton explained that at the end of April, the Board Office was notified by Bank of America that it was in technical default on its bonds due to the fact the it had not provided the bondholders with a copy of the Comprehensive Annual Financial Report (CAFR) for the state of South Dakota within the required 270 days of the end of the Board’s fiscal year. This hadn’t been done due to the fact that the CAFR had yet to be released by Legislative Audit. The board’s finance officer contacted bond counsel immediately as well as Bank of America to work out a solution. Because Bank of America was the bondholder, they were willing to waive compliance with the breached covenant for the fiscal year ended June 30, 2010.

Bank of America agreed to an amendment to the bond covenants with the purchaser extending the filing of the CAFR to be within 30 days of receipt by the Board. In addition, the Board will now provide Bank of America with a copy of the Financial Statements of the Housing and Auxiliary Facilities System Revenue. Bond Funds Independent Accountants Report on Applying Agreed upon Procedures within 270 days of the fiscal year-end instead of 180 days. The Board’s bond counsel drafted amendment resolutions to the Second, Third, Fourth, and Fifth Supplemental System Revenue Bond Resolutions.

Dr. Kramer said Bank of America is waiting for the Board’s adoption of the resolution and, in fact, has already consented to the amendments in writing.

IT WAS MOVED by Regent Krogman, seconded by Regent Baloun to approve the Resolutions to amend the Second, Third, Fourth, and Fifth Supplemental System Revenue Bond Resolutions by a roll-call vote.

VOTE TO APPROVE THE RESOLUTIONS TO AMEND THE SECOND, THIRD, FOURTH, AND FIFTH SUPPLEMENTAL SYSTEM REVENUE BOND RESOLUTIONS

AYE: Jewett, Johnson, Krogman, Morris, Pagonis, Schaefer, Weber, Baloun, Hansen

NAY:

MOTION CARRIED.

A copy of the Amendment to Bond Covenants can be found on pages _____ to _____ of the official minutes.

SDSU INDOOR PRACTICE FACILITY AND HUMAN PERFORMANCE FACILITY PRELIMINARY FACILITY STATEMENT

President David Chicoine; Wes Tschetter, Vice President of Finance and Business; Justin Sell, Athletic Director; John Stiegelmeier, Head Football Coach; and SDSU student council leadership in waiting explained that SDSU requests approval of their Preliminary Facility Statement for an Indoor Practice Facility and Human Performance Facility. This request will allow SDSU to develop plans to construct the Indoor Practice Facility and Human Performance Facility. The facility will be located to the north of the existing Dykhouse Student Athlete Center at the north end of Coughlin Alumni Stadium. This project will provide a 12-month indoor training facility for athletes in all sports. It will expand sport medicine facilities and enable programming for rehabilitation facilities, allowing SDSU to partner with the medical community locally, regionally, and nationally.

Basic needs of the facility will be divided into two parts. One will be indoor practice facilities that include a synthetic turf field with an additional practice area, a 300-meter track with 100-meter straightaway, field event practice facilities, and observation space that will accommodate approximately 1,000 spectators. The second requirement will be for human performance facilities that include sports medicine, athletic training, strength and conditioning, physical therapy, hydrotherapy, Magnetic Resonance Imaging (MRI), x-ray, observation rooms, and office facilities.

Funding for this project will come from donations and sponsorships earmarked at part of the SDSU Foundation 2007-2012 \$200 million comprehensive campaign. As of this week, the SDSU Foundation has surpassed the \$160 million dollar mark with another 18 months left of the campaign.

IT WAS MOVED by Regent Jewett (with reiteration that the funding for the construction of this project will come from third-party donations, third-party sponsorships as part of the SDSU Foundation drive and will not come from state or student funds), seconded by Regent Hansen to approve SDSU's Preliminary Facility Statement to develop plans for a new Indoor Practice Facility and Human Performance Facility.

Regent Hansen asked where the money will come from to pay for the preliminary detailed plans for the facility. President Chicoine said that the funds will come from the SDSU Foundation comprehensive campaign funds for a total of \$250,000-\$350,000. No student fees or HEFF funds will be used.

Regent Pagonos asked if they will have trouble if they don't use student fees. President Chicoine explained that they need to be industry standard in their approach to these facilities. The facility will serve the student athletes and they will look to their donor base and sponsorships to put this facility together. He said the best part of the planning process is to do the financial plan as well as to do the facility plan; they go hand in hand.

Regent Jewett understands his motion to not include state or student money to build the building, but he doesn't feel that any student fees should go toward operating or maintaining the building.

Regent Hansen wanted to make clear that they are not approving the construction of the building. They are approving the planning process and reiterating that no student fees will go into paying for this process.

Regent Baloun commended the campus and the group presenting today that they understood why these facilities were tabled in October. He said that in the interim they explained it to their supporters, the media, and the public that this project is part of their master fundraising drive, and they explained it fairly and honestly.

Regent Jewett said that the Regents will inevitably be asked why they would spend up to \$200 million for athletic facilities, and they need to be prepared to answer those questions. He said that the Division I transition has worked, so now they need to keep their buildings up to the decisions they've made for the athletic programs.

Regent Baloun clarified that the entire \$200 million comprehensive campaign would not all be spent on athletic facilities.

Regent Schaefer asked President Chicoine about timing for this particular project. President Chicoine said it will be a work in progress because until they get the more detailed project-level development, they won't know what the response of the donor and sponsorship community will be. This level of the project will take at least a year and they will not be bringing anything back to the Board until they have a complete financial and facility plan.

All members voting AYE. The MOTION CARRIED. A copy of the SDSU Indoor Practice Facility and Human Performance Facility Preliminary Facility Statement can be found on pages _____ to _____ of the official minutes.

SDSU NEW FOOTBALL STADIUM – PRELIMINARY FACILITY STATEMENT

President Chicoine said SDSU requests approval of their New Football Stadium Preliminary Facility Statement. This request will allow SDSU to develop plans to replace the 50 year old Coughlin Alumni Stadium which currently seats 10,000. The new stadium will seat at least 20,000 people and will feature a new synthetic turf system, operation and support facilities, visiting team locker facilities, broadcast, media, coaching and press facilities, sanitary sewer, water service, and electrical service will be upgraded. Parking and service drives will be modified to fit the needs of the new stadium size and locations.

The proposed location for the new stadium would be on the site of the existing Coughlin Alumni Stadium. The footprint of the new stadium may encroach on existing practice fields which would require relocation of those fields as necessary and be considered part of the project. A market assessment will be conducted and will be used to help in planning for the facility. Facilities of this nature take at least four years to complete and could take as many as five or six years.

Final project costs will be developed during the Facility Program Plan phase of the project. Initial funding for the project will come from the SDSU Foundation. The project will be funded with private gifts, commercial revenue generation, and donations.

IT WAS MOVED by Regent Jewett (with the understanding that the project be exclusively funded with private gifts, commercial revenue generations, other donations and no state or student funds of any nature included in the construction of the project), seconded by Regent Krogman to approve SDSU's New Football Stadium Preliminary Facility Statement.

Regent Baloun asked in the preliminary investigation if they have found that the current stadiums are multi-functional. President Chicoine said that he would let their Athletic Director speak to the question, but he has seen these facilities to be very multi-purpose. Jason Sell said that he thinks there has been a huge change industry-wide. With any major facility in a major city or on a university campus, the ability to use the space as multi-purpose is crucial since it is expensive square footage.

Regent Hansen said he assumed their budget development and facility program plan will cost \$400,000-\$600,000 and will be paid through the SDSU Foundation fund. They agreed.

All members voting AYE. The MOTION CARRIED. A copy of the SDSU New Football Stadium Facility Preliminary Facility Statement can be found on pages _____ to _____ of the official minutes.

USD SPORTS PERFORAMNCE ENHANCEMENT/DAKOTADOME COMPLEX RENOVATION – PRELIMINARY FACILITY STATEMENT

President Jim Abbott; Roberta Ambur, Vice President of Administration and Technology; Sheila Gestring, Vice President of Finance; David Saylor, Athletic Director presented to the Board. Roberta Ambur explained that USD requests approval of their Preliminary Facility Statement for the Sports Performance Enhancement/DakotaDome Complex Renovation. She said USD would

like to formally review the need for this type of facility within the DakotaDome Complex. This will allow USD to expand its academic programs to better serve the campus. Currently, there are scheduling conflicts within the Dome Complex and a new facility is needed to alleviate these issues as well as overcrowding concerns.

She explained that the Performance Facility will serve multiple purposes including competition, practice, and training facility areas for both basketball and volleyball. Offices for these teams and their coaches will also be added. Currently, the Kinesiology and Sport Science (KSS) program is shared in various spaces across campus. The new facility would address the KSS needs and include a dedicated classroom, offices, support spaces, and sport science laboratories. This will allow the KSS program to be integrated with sport psychology and physiology.

David Saylor said that currently USD is using every inch of the Dome, but it needs some improvements to be viable for another 30 years. Also, this renovation will alleviate some of the Title IX issues. There will also be revenue generation possibilities. He said that at this level, Division I, basketball can really be a bigger revenue booster than football. He feels strongly that if done right, they can really emphasis basketball.

By performing a study for this facility, USD will be able to determine the location of the facility. Final project costs will be developed during the Facility Program Plan phase of the project. Project funding will come from private donations and facility revenues.

IT WAS MOVED by Regent Hansen (with emphasis that the funding for the facility program plan and the facility funding come out of private donations with no use of student fees or state money for the planning or construction), seconded by Regent Schaefer to approve USD's Preliminary Facility Statement to review plans for a Sports Performance Enhancement/DakotaDome Complex Renovation project.

Regent Krogman said that for consistency purposes, we need to ensure that payment does not exclude sponsorships, endorsements, etc. Dr. Kramer explained that this talks about the money that's needed for the planning and that it should simply say "from donations" in the recommendation.

Regent Jewett said that he believes that when the facility program plan comes back we'll have a much better idea of operating costs, and how those operating costs will be met and handled. At that time, endorsements and ticketing discussions will be more relevant.

All members voting AYE. The MOTION CARRIED. A copy of the USD Sports Performance Enhancement/DakotaDome Complex Renovation Preliminary Facility Statement can be found on pages _____ to _____ of the official minutes.

Regent President Johnson said she wanted to take some time to recognize long time board secretary, Mary Turman. She said in times like these it is imperative to think about the things that are easy to take for granted. She said Ms. Turman has always been a steady hand, always ready to help, she has always been able to calm things down, and she has had a clear memory

they could always count on. Regent President Johnson has been proud to be able to work with Ms. Turman.

Regent President Johnson read the following resolution for Mary Turman:

Whereas, Mary Turman served the people of South Dakota for forty-one years, from June 1968 to September 1972 as a Secretary in Central Data Processing and from August 1974 to June 2011 as Executive Assistant to the Executive Director and Chief Executive Officer of the South Dakota Board of Regents and Secretary to the Board; and

Whereas, throughout her service to South Dakota, Mary introduced sound administrative practices and excelled in delivering quality executive-level services; and

Whereas, Mary modeled a high degree of dependability, which established a strong foundation for Board of Regents' office operations; and

Whereas, Mary played an active role in helping support a central administrative and governing system for public higher education; and

Whereas, Mary directly supported and managed at least 26 executive searches during her time at the Board of Regents; and

Whereas, Mary mastered the art of working cooperatively with the leaders of six public universities, two special schools, and the Board, while delivering seamless administrative support for many individual Regents over the course of 37 years;

Now, therefore, be it resolved that it is the desire of the Board of Regents to applaud and recognize Mary Turman for her dedicated service, administrative support, and leadership in office management; and

Be it further resolved that Mary Turman be heartily thanked for her outstanding contributions and dedication to public higher education and to the state of 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 Mary Turman.

Adopted this 30th day of June, 2011.

Each individual regent gave comments about his/her appreciation for Ms. Turman. A presentation of gifts was made to Ms. Turman.

THURSDAY, JUNE 30, 2011

Regent President Johnson called the meeting of the Board to order at 11:30 a.m.

DSU STUDENT ORGANIZATION AWARDS

Jessie Wise, Vice President for Student Affairs at DSU, introduced the student organization award winners in the various categories, as Regent President Johnson presented plaques to the organizations. The award for Academic Excellence was presented to Phi Beta Lambda. Phi Beta Lambda's mission is to bring business and education together in a positive working relationship through innovative leadership and career development program. The award for Community Service was presented to Students in Free Enterprise. The goals of SIFE are to apply students' knowledge of financial literacy, success skills, market economics, ethics, and entrepreneurship to community needs and problems. The award for Organizational Leadership was presented to Dakota State University Diversity Student Union (DSU²). The goals of DSU² are to (1) serve as the source of information for, and liaison between, interested students and SDSU on topics pertaining to diversity, (2) celebrate, maintain, and validate the identity and image of each individual and culture represented on campus through campus and community activities and to provide services whenever and wherever it may be of mutual benefit to do so, and (3) provide social contact and to promote social interaction for members with the student body and Dakota State University community.

A copy of the DSU Student Organization Awards can be found on pages _____ to _____ of the official minutes.

REPORT AND ACTIONS OF THE COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS

Regent Jewett presented the following report and actions of the Committee on Academic and Student Affairs.

Institutional Items of Information

The Committee received Institutional Items of Information submitted by Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines and Technology, South Dakota State University, University of South Dakota, South Dakota School for the Blind and Visually Impaired, and South Dakota School for the Deaf. No action required. A copy of the Institutional Items of Information can be found on pages _____ to _____ of the official minutes.

International Activities Annual Report

The Committee received the annual report on international activities at each institution. No action required.

Annual Report on New Programs

The Committee received the annual report on new programs implemented at each institution during the past year. No action required.

2010-11 Accreditation Status Report

The Committee received the 2010-2011 accreditation status report. No action required.

Discipline Council Annual Reports

The Committee received annual reports from each of the discipline councils that met during the past academic year. No action required.

Program Review Report - BHSU

The Committee received a program review report for the Environmental Physical Science and the Visual Art programs at BHSU. No action required.

Program Modifications - BHSU

The Committee approved BHSU's program modifications for the BS in Composite Science, Business Administration Minor, Economics Minor, Economics Teaching Minor, and the Mass Communication: Minor Emphasis in Broadcasting programs.

Program Modifications - DSU

The Committee approved DSU's program modifications for the MS in Information Assurance, Digital Arts and Design: Audio Production specialization, Computer Graphic specialization, Digital Storytelling specialization, Production Animation specialization, Web Design and Production specialization, and the BS in Physical Science programs.

Program Modification – NSU

The Committee approved NSU's program modifications for the Early Childhood Education Minor and the K-12 Special Education Minor.

Program Modifications – SDSU

The Committee approved SDSU's program modifications for Apparel Merchandising; Art Education specialization; Aviation Education; Aviation Management; Early Childhood Education Birth-8 specialization; Economics; Entrepreneurial Studies; Geographic Information Sciences Minor; Geography; Interdisciplinary Studies; MS in Athletic Training; MS in Family and Consumer Sciences; MS in Health; Physical Education and Recreation; MS in Sociology; Community Development; MS Nurse Educator specialization; MS Nutritional Sciences; Music; Music Minor; PhD Nutritional Sciences; Political Science; Post Masters Nursing Education Certificate; and the Range Science programs.

Program Modifications – USD

The Committee approved USD's program modifications for the Art, BFA; CPE-Educational Psychology specialization, MA; CPE-Educational Psychology specialization, EdS; CPE-Educational Psychology specialization, PhD; Health, Physical Education, Recreation-Recreation Management, BS; Health, Physical Education, Recreation, MA; and the Occupational Therapy, MS programs.

Program Terminations - NSU

The Committee approved NSU's program termination request for the E-Business Education program effective Summer 2011.

Program Terminations - SDSU

The Committee approved SDSU's program termination and inactive status requests for Career and Technical Education, Electronic Engineering Technology, Engineering Physics, Journalism-Media Production Specialization, Manufacturing Engineering Technology, MS in Physics, Park Management Specialization, Software Engineering, BS in Music Merchandising, and PhD in Biological Sciences, Specialization in Human Nutrition and Food Sciences.

SDSU College Name Change

The Committee approved SDSU's request for a name change from the College of General Studies to University College.

Terminal Degree Table Update - DSU

The Committee approved adding the MA plus RRT to the terminal degree table for Respiratory Care for Dakota State University.

International Agreement - BHSU and Leiola, Spain

The Committee approved the agreement between BHSU and University of the Basque Country, Leiola, Spain.

Memorandum of Understanding - SDSMT and Saint Petersburg State Mining Institute, Russia

The Committee approved the exchange agreement between SDSMT and G.V. Plekhanov Saint Petersburg State Mining Institute and Technical University, Russia.

Memorandum of Understanding - SDSMT and United Tribes Technical College, Bismarck, ND

The Committee approved the exchange agreement between SDSMT and United Tribes Technical College, Bismarck, North Dakota.

Memorandum of Understanding - SDSMT and National Center for Earth Resources Observation and Science, Sioux Falls, SD

The Committee approved the exchange agreement between SDSMT and the National Center for Earth Resources Observation and science of the U.S. Geological Survey, Sioux Falls, SD.

Contracted Services Agreement Amendment - BOR and Brandon Valley School District

The Committee approved the amendment to the contracted services agreement among the South Dakota Board of Regents, South Dakota School for the Deaf, and Brandon Valley School District.

Resolutions of Recognition

The Committee recognized Valerie Denison for 9 years, Betty Knutsen for 25 years, Peggy Egeberg for 30 years, and Marlys Vander Wal for 30 years of dedicated service to SDSU and the public higher education system of South Dakota.

Amendment to Articulation Agreement - USD and LATI

The Committee approved the amendment to the nursing articulation agreement between USD and LATI.

SDSBVI Membership in the South Dakota High School Activities Association

The Committee approved SDSBVI's request to continue membership in the South Dakota High School Activities Association.

Program Modifications - AA in General Studies and Bachelor of General Studies

The Committee directed the campuses to propose revisions to reduce the requirements for the AA in General Studies to 60 credit hours and for the Bachelor in General Studies to 120 credit hours and that the recommended changes to accomplish this be for consideration by the board at the October 2011 meeting. If the recommended curricular changes accompanying the reduction in credit hours are approved, they will take effect at that time. Motion carried.

New Certificate - DSU English for New Media Certificate

The Committee approved DSU's English for New Media certificate.

New Certificate - DSU Professional & Technical Communications Certificate

The Committee approved DSU's Professional and Technical Communications certificate.

New Certificate - SDSU Financial and Housing Counseling Certificate

The Committee approved SDSU's Financial and Housing Counseling certificate.

New Certificate - SDSU Grassland Management Certificate

The Committee approved SDSU's proposal for a Grassland Management certificate.

New Certificate - SDSU Transdisciplinary Childhood Obesity Prevention Certificate

The Committee approved SDSU's Transdisciplinary Childhood Obesity Prevention certificate.

New Certificate - USD Music Certificate in Piano, Undergraduate

The Committee approved USD's Music Certificate in Piano, Undergraduate program.

New Certificate - USD Music Certificate in Piano, Graduate

The Committee approved USD's Music Certificate in Piano, Graduate program.

Full Report

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to adopt the report and actions of the Committee on Academic and Student Affairs. All members voting AYE. The MOTION CARRIED. A copy of the Full Report can be found on pages _____ to _____ of the official minutes.

REPORT AND ACTIONS OF THE COMMITTEE ON BUDGET AND FINANCE

Regent Krogman presented the report and actions of the Committee on Budget and Finance. He noted that the consent calendar from this meeting and forward will require one vote for all items. If one committee member would like to pull it off as substantive, then it will be pulled, discussed and a motion made in the record.

Institutional Items of Information

The Committee received the Institutional Items of Information from BHSU, DSU, NSU, SDSM&T, SDSU, USD, SDSBVI, and SDSD. No action required.

Capital Project List

The Committee received the Capital Project List that identifies the current capital improvement projects along with the Regental representative, estimated dollar amount, the source of funds for the project, and the current status of the project. The list includes the Board's second ten-year Capital Plan which was approved by the 2005 Legislature, and the Science and Laboratory facilities approved by the 2008 Legislature.

Building Committee Report

The Committee received information regarding the activities of the various building committees that had met since the last meeting as follows: NSU Barnett Center Addition – approved the low base bid of Gray Construction, plus alternates # 4 and 5 for a total of \$2,682,700, and approved the post bid worksheet. NSU Student Center Renovation/Addition – approved the bid documents and the budget worksheets so that the project could go out to bid. BHSU Center for the Cultural, Visual and Performing Arts – selected FourFront Design to design the facility. SDSU Southeast Residence Halls – selected Koch Hazard of Sioux Falls to design the project; as a separate part of the Southeast Residence Halls project, the Building Committee also authorized SDSU to hire Stanley Consultants to proceed with the design of the Utility Infrastructure. SDSU Southeast Residential Community Parking Development project – selected the civil design firm to complete the study of the parking development and approved the contract award of the SE parking lot base bid, Alternates 2, 3, and 4 to Bowes Construction. SDSU Central Heating Plant Boiler Replacement and Plant Upgrades – approved the facility design plan to proceed with design and preparation of construction documents. SDSU Union Dining Service Expansion project – selected Baldrige & Nelson, Sioux Falls.

M & R Institutional Reports

The Committee approved SDSU's request to install the Electrical Engineering and Computer Science Building Microgrid Test-Bed at a cost of \$483,000. Funding for this project will come from federal Alternative Power Technologies research funds.

The Committee approved USD's request to renovate the lower level of the Sanford School of Medicine and the School of Health Sciences building for a Clinical Skills and Simulation Center at an estimated cost of \$700,000. Funding for this project will come from committed gifts and donations and grants from the Helmsly Trust, the Great Plains Research Foundation, and Sanford Health.

Maintenance and Repair – Fee Projects

The Committee approved SDSU's request to replace the Physical Education Center pool deck and drain at an estimated cost of \$131,825. University Support Fees will fund \$41,825 of the project and the previously approved FY12 HEFF project 3H1205 will fund the remaining \$90,000.

South Dakota State University – Central Heating Plant Boiler Replacement and Plant Upgrades – Facility Design Plan

The Committee approved SDSU’s Central Heating Plant Boiler Replacement and Plant Upgrades Facility Design Plan at a cost of \$5,824,353. Funding for this project will come from bond proceeds debt serviced with HEFF.

BOR Policy 5:24 – Effort Certification

The Committee approved the change to BOR policy 5:24 – Effort Certification providing for a monthly certification process.

BOR Policy 5:4 – Purchasing Policy

The Committee approved the changes to BOR Policy 5:4 – Purchasing Policy clarifying purchasing regulations.

BOR Policy 5:5:1 – Tuition and Fees: State-Support Tuition

The Committee approved the changes to BOR Policy 5:5:1 – Tuition and Fees: State-Support Tuition removing sections to reflect that South Dakota has only one undergraduate non-resident state-support tuition rate and including a new paragraph to Section B titled Western Regional Graduate Program (WRG).

BOR Policy 5:5:2 – Tuition and Fees: Self-Support Tuition

The Committee approved the changes to BOR Policy 5:5:2 – Tuition and Fees – Self-Support Tuition to reflect current practices.

BOR Policy 5:5:3 – Tuition and Fees: Special Course Types

The Committee approved the changes to BOR Policy 5:5:3 – Tuition and Fees: Special Course Types to reflect actual practices.

BOR Policy 5:5:4 – Tuition and Fees: Fees

The Committee approved the changes to BOR Policy 5:5:4 – Tuition and Fees: Fees to reflect current practices.

Full Report

IT WAS MOVED by Regent Krogman, seconded by Regent Weber to adopt the report and actions of the Committee on Budget and Finance. All members voting AYE. The MOTION CARRIED. A copy of the Full Report can be found on pages _____ to _____ of the official minutes.

ADJOURN

IT WAS MOVED by Regent Hansen, Seconded by Regent Krogman to adjourn the meeting of the Board of Regents on June 30 at 11:50 p.m. All members voting AYE. The MOTION CARRIED.

DRAFT