

## North Dakota State Board of Higher Education Budget and Finance Committee Meeting Minutes

The State Board of Higher Education Budget and Finance Committee met via Teams on September 16, 2025, at 10:30 a.m. CT.

### SBHE Budget and Finance Committee members

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Mr. Tim Mihalick, Chair | <input checked="" type="checkbox"/> Mr. Curtis Biller              |
| <input checked="" type="checkbox"/> Mr. Kevin Black         | <input checked="" type="checkbox"/> Mr. Pat Sogard                 |
| <input checked="" type="checkbox"/> Mr. Levi Bachmeier      | <input checked="" type="checkbox"/> Ms. Anna Kinney, Staff Advisor |

### Institution Presidents/Representatives

**BSC**, Ms. Rebecca Collins, **DCB**, Interim Corey Gorder, **DSU**, Mr. Les Wiestock, **LRSC**, Interim President Simone, Ms. Joann Kitchens, **MaSU**, President Van Horn, Ms. Amber Hill, **MiSU**, President Shirley, Ms. Jonelle Watson, **NDSCS**, President Flanigan, Mr. Keith Johnson, **NDSU**, Mr. Bruce Bollinger, Ms. Karin Hegstad, Ms. Cynthia Rott, Ms. Lisa Ripplinger, Mr. Mark Genkinger, Ms. Loretta Forsberg, Mr. Brent Dekrey, Mr. Travis Aho, **UND**, Ms. Karla Mongeon- Stewart, Ms. Becky Lucke, **VCSU**, Ms. Erica Buchholz, **WSC**, President Hirning, Ms. Deb Halvorson.

### System Office/CTS/Guests

**NDUS**, VC David Krebsbach, **VC** Meredith Larson, Mr. Chris Pieske, Dr. Jen Weber, Ms. Robin Putnam, Ms. Mindy Sturn, Ms. Sharon Schwartzbauer, Ms. Jamie Wilke, Mr. Dustin Walker, Ms. Claire Gunwall, Ms. Jane Grinde, Mr. Rick Tonder, Ms. Dina Cashman, Ms. Katie Fitzsimmons, Dr. Billie Jo Lorus, Mr. Eric Jensen, Ms. Bethany Kadrmaz, **CTS**, Mr. Corey Quirk.

### Call to Order

#### Committee Business

1. Agenda  
Biller moved, Black seconded, to approve the agenda, as presented.  
  
Approved by consensus.
2. June 17, 2025, [Meeting Minutes](#)  
Biller moved, Sogard seconded, to approve the June 17, 2025, meeting minutes, as presented.  
  
Approved by consensus.

#### Consent Agenda

3. NDSU [Lease Agreement Request](#)
4. NDSCS [Land Purchase Request](#)
5. BSC [Capital Building Fund Tier II & III request](#)
6. Policy 601.1 [Presidential Searches](#)

7. Policy 617 [Safety of Children on Campus](#)
8. Policy 703.1 [Early Retirement](#)
9. Policy 901 [Campus Planning and Facilities Management](#)
10. Policy 902.1 [Construction Process - Legislative Approval; List of Funding Requests](#)
11. Policies 906 and 1902 [Emergency Preparedness and Management; Continuity of Operations; Security](#)
12. Policy 907 [Building Plaques](#)
13. Policy 908 [Financing Through Revenue Bonds](#)
14. Policy 909 [Real Property Leases](#)
15. Policy 910 [Transfer of Real Property](#)
16. Policy 910.1 [Development of State Lands](#)
17. [HR Policy 25 Job Discipline/Dismissal and Policy 308.1 SBHE Member and Employee Code of Conduct](#)

Sogard moved, Black seconded, to move consent agenda item 12 to committee business and approve consent agenda items 3-11 and 13-17.

Sogard, Biller, Bachmeier, Black, and Mihalick voted yes. Motion passed 5-0.

### **Committee Business**

MOVED: 12. Policy 907 [Building Plaques](#)

Member Sogard suggested a minor edit to clarify the language by adding the word "building" after "newly constructed" in the first paragraph of the policy. Ms. Mongeon-Stewart raised a question about whether the policy should apply to all new buildings regardless of funding source, to which Mr. Pieske clarified that the policy, as drafted, does not differentiate by funding source and is triggered by the cost threshold.

Black moved, Bachmeier seconded to add the word "building" after "newly constructed" in the policy language and to approve the policy as otherwise amended.

Black, Sogard, Biller, Bachmeier, and Mihalick voted yes. Motion passed 5-0.

18. BSC [Ground Lease and Development Agreement](#)

Ms. Collins presented BSC's request for approval to enter into a ground lease for a new 350-bed residence hall, citing ongoing housing shortages and the need to support campus growth. The project is valued at \$22.5 million and will be developed by Mystic LLC, a subsidiary of Bismarck Industries focused on local economic development. The agreement is for 30 years, after which BSC can purchase the building for \$1, with options to buy earlier at cost.

Ms. Collins explained BSC will operate the facility entirely, with all employees and policies under BSC, and the lease structure is similar to existing campus arrangements.

Member Black asked about board policy applicability to third-party buildings on campus, specifically naming rights and governance. Mr. Pieske clarified that naming and facilities policies would apply to buildings on state-owned land, but other policies depend on the building's use and employment structure.

Ms. Collins confirmed BSC will handle all operations, maintenance, and staffing, and that the lease is structured as triple net, with BSC responsible for repairs, maintenance, and taxes. The project is designed to address both housing shortages and funding limitations for new residence halls.

Member Biller asked about the building's use and location. Ms. Collins stated it will be all suites, include underground parking, and feature an Italian pizzeria operated by BSC staff, located in the northeast corner of campus near the Aquatic Center.

Biller moved, Sogard seconded, to approve BSC [Ground Lease and Development Agreement](#), as presented.

Sogard, Biller, Bachmeier, Black, and Mihalick voted yes. Motion passed 5-0.

### **Committee Reports/Updates/Discussion**

#### 19. Higher Education Funding Review Committee Discussion

- a. What changes do we want to see in the funding formula
- b. What should be the criteria for vetting and prioritizing capital projects

Member Black summarized the recent Higher Education Funding Formula Interim Committee led by Senator Sorvaag, highlighting the need for the SBHE to proactively develop recommendations for funding formula changes and capital projects evaluation criteria. He emphasized a new collaborative tone with the legislature and the importance of SBHE input.

Vice Chancellor Krebsbach reported that the Administrative Affairs Council will meet next week to gather institutional ideas for formula changes, focusing on incentivizing workforce needs and other enhancements.

Ms. Collins outlined the Administrative Affairs Council agenda for the upcoming meeting, including: legislative directives, impacts of the formula on each institution, review of weighted classes, consideration of KPIs, possible funding formula replacement options, review of the time period for credit hour calculations, and capital tier funding challenges for smaller institutions. She also mentioned dual credit, online education, and scholarships as topics for discussion.

Members Biller and Bachmeier suggested reviewing deferred maintenance alongside new capital projects and considering cost-per-student metrics for prioritization.

Member Bachmeier raised concerns about online course funding, advocating for focus on student location and economic impact rather than delivery mode, and requested future committee discussion on dual credit economics.

Member Black proposed shortening the formula's look-back window on the credits for the funding formula, establishing a permanent matching fund similar to the challenge grant fund but that would mimic the innovation workforce innovation grant fund, adjusting online credit weighting, adding multipliers for high-demand fields, rewarding campuses who drive graduates who stay in the region, and addressing funding imbalances and low-enrollment programs. He also recommended bifurcating capital spending criteria into maintenance and growth categories.

Committee Chair Mihalick encouraged committee members to submit written recommendations to Vice Chancellors Krebsbach and Larson for compilation and ongoing discussion, aiming for proactive board deliverables before the next legislative session.

## 20. Retirement Plan Oversight Committee

- a. [Update to membership](#)
- b. [Recommendation to add Roth Option to 457\(b\)](#)

Vice Chancellor Krebsbach reported an update to the Retirement Plan Oversight Committee membership: board members have been removed from the committee, and recommendations will now come directly from the committee to the Budget & Finance Committee for board approval.

Vice Chancellor Krebsbach presented a recommendation to add a Roth contribution option to the 457(b) supplemental retirement plan, in compliance with Secure 2.0 federal requirements effective January 2026. The 403(b) plan already includes a Roth option.

Billers moved, Black seconded, to approve item 20(b) [Recommendation to add Roth Option to 457\(b\)](#), as presented.

Billers, Black, Bachmeier, Sogard, and Mihalick voted yes. Motion passed 5-0.

## 21. Resource Sharing Between Institutions

Committee Chair Mihalick, Vice Chancellor Krebsbach, and Ms. Mongeon- Stewart discussed ongoing efforts to expand shared services among institutions, especially in areas like accounting, procurement, payroll, financial aid, HR, and mental health services, to address staffing shortages and improve efficiency.

Ms. Mongeon- Stewart and Ms. Hegstad stated that UND and NDSU are ready to provide shared services but seek clearer board direction on implementation and participation expectations. They highlighted the benefit of consolidating services for smaller institutions and the importance of having a single point of contact when possible.

Members Black and Bachmeier supported voluntary consolidation of services, recommending that institutions collaborate and share resources without a formal mandate, and suggested mapping current and potential shared services by region (northern campuses with UND, southern with NDSU).

Mr. Pieske suggested developing a procedure (rather than a policy) to formalize shared service agreements, ensuring clarity and commitment for both providing and receiving institutions.

Vice Chancellor Larson requested clarity on next steps and direction for UND and NDSU, including whether to delineate which schools should partner with which university for shared services.

Vice Chancellor Krebsbach will share the current list of shared services with the committee for review and further planning.

The committee agreed to keep resource sharing as a standing agenda item and encouraged members to submit additional ideas to Vice Chancellors Krebsbach and Larson for cost savings and collaboration.

22. [2026 Meeting Schedule](#)

Chair Mihalick shared the 2026 SBHE Meeting Schedule.

**Adjourn**

Committee Chair Mihalick adjourned the meeting at 11:37 a.m. CT.

Approved on October 21, 2025.