

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 October 21, 2025, at 10:30 a.m., CT.

SBHE Budget and Finance Committee members

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

Institution Presidents/Representatives

BSC, Interim President Leingang, Ms. Sonya Koble, Ms. Rebecca Collins, **DCB**, Interim Dean Gorder, **DSU**, President Molander, Mr. Les Wietstock, **LRSC**, President Simone, Ms. Joann Kitchens, **MaSU**, President Van Horn, **MiSU**, President Shirley, Ms. Krista Lambrecht, **NDSCS**, President Flanigan, Mr. Keith Johnson, **NDSU**, Ms. Cynthia Rott, Ms. Karin Hegstad, Mr. Thomas Claeys, Mr. Travis Aho, Mr. Mark Genkinger, Ms. Lisa Ripplinger, Mr. Bruce Bollinger, **UND**, Mr. Tom Scrivener, Mr. Thomas Bures, Ms. Sharon Loiland, Ms. Odella Fuqua, Ms. Becky Lucke, **VCSU**, President LaFave, Ms. Erica Buchholz, **WSC**, President Hirning, Ms. Deborah Halvorson,

System Office/CTS/Guests

NDUS, Commissioner Sanford, DC Lisa Johnson, Ms. Maryann Olson, Ms. Dina Cashman, Mr. Rick Tonder, Dr. Billie Jo Lorus, Dr. Jennifer Weber, DC Meredith Larson, Ms. Sharon Schwartzbauer, Ms. Robin Putnam, Eric Jensen, Ms. Christina Pieske, DC David Krebsbach, Mr. Dustin Walcker, Ms. Claire Gunwall, Ms. Jane Grinde, Ms. Mindy Sturn, Ms. Jamie Wilkie, Mr. Chris Pieske, Ms. Bethany Kadrmas.

Call to Order – started at 10:30 am

1. Agenda
Bachmeier moved, Sogard seconded, to approve the agendas, as presented with the addition of #7.
Approved by consensus.
2. [Meeting Minutes](#)
Sogard moved, Bachmeier seconded, to approve the September 16, 2025, meeting minutes, as presented.
Approved by consensus.
3. [UND Lease Agreement Request](#)
Mihalick disclosed a conflict of interest due to his employer's involvement with the property in question, and Mr. Pieske explained the new policy requiring disclosure and abstention from discussion and voting unless a waiver is granted; Mihalick chose not to participate, and the committee proceeded without his involvement.

Ms. Fuqua presented the UND bookstore lease agreement, highlighting the strategic importance of relocating the bookstore to a more visible and accessible location, which supports the plan to vacate Columbia Hall and is expected to increase business and accessibility for students, employees, and visitors.

Sogard questioned whether the \$23 per gross square foot rent was reasonable, to which Mr. Bures responded that a market survey was conducted with local realtors, confirming the rate as favorable for the location; Ms. Loiland and Ms. Fuqua detailed the financial modeling, including pro formas, sales projections, and the impact of reduced square footage.

Ms. Loiland explained that the new lease introduces higher rent but is offset by anticipated sales growth and operational efficiencies due to reduced space requirements and increased proximity to campus activities.

After discussion and clarification of financial and operational details, Bachmeier moved to approve the lease, Black seconded, and the committee voted in favor, with Mihalick abstaining due to the disclosed conflict. Motion passed 3-0.

SBHE Policy

4. HR Policy 2 [Appointments](#)

Mr. Pieske and Ms. Grinde explained the proposed clarification to HR Policy 2, specifying that coaches are not part of the broadbanding system, with the committee discussing the implications and approving the policy change for submission to the full board.

Ms. Grinde explained that this distinction helps HR departments manage coach contracts more effectively, as coaches are governed by individual contracts rather than standard staff or faculty policies.

Sogard moved, Black seconded to approve HR Policy 2 as presented. Motion passed 4-0.

Committee Reports/Updates/Discussions

5. Dual Credit/Tuition Discussion

a. Subsidized and unsubsidized delivery, [Policy 805.1](#) & [Procedure 805.1](#).

Ms. Kitchens outlined the various costs associated with dual credit courses, including instructor credentialing, administrative processing, student support, and ongoing quality assurance, emphasizing that many costs are difficult to quantify due to shared staff responsibilities and indirect overhead.

Bachmeier and other committee members sought clarification on how direct instructional costs and indirect administrative overhead are allocated between subsidized and unsubsidized dual credit courses, with President Leingang providing examples of federal indirect cost rates and additional direct costs such as instructor stipends and faculty mentoring.

President Hirning and Ms. Kitchens described institutional practices for quality assurance, including required site visits to high school instructors and the

assignment of faculty mentors to ensure consistency and compliance with college standards.

Black and Bachmeier emphasized the importance of developing clear, quantitative tables showing sources and uses of funds, as well as direct and indirect costs per credit, to inform both SBHE policy and legislative discussions, with agreement from Commissioner Sanford and other participants to pursue this approach.

b. [Policy 805.1](#) & [Procedure 805.1](#)

The group discussed the need to justify the specific tuition rates set in policy 805-1, with concerns that lack of transparency could prompt legislative intervention; the committee agreed to continue gathering data and to prepare for upcoming interim committee meetings.

6. Resource Sharing Between Institutions

Mihalick highlighted that discussions from earlier in the day and ongoing committee work have underscored the importance of resource sharing to support smaller institutions and indicated that efforts to develop and expand shared services will continue.

7. Funding Formula

Black suggested that the committee agree on guiding principles for the funding formula, such as incentivizing credits tied to high-demand careers and contributions to the state economy, to reduce competition between institutions and provide a unified board perspective.

The committee discussed the need to consolidate, and review submitted recommendations, aiming to present a cohesive board position to the legislature.

Commissioner Sanford and Black clarified that while the legislature ultimately owns the funding formula, the SBHE and system office are expected to provide substantive input, and that legislators are actively seeking the SBHE's perspective to inform potential changes.

Mihalick directed Ms. Kadrmas to coordinate scheduling a meeting of the committee or full board prior to the November 12th interim committee meeting to discuss and finalize recommendations on the funding formula.

Adjourn

Committee Chair Mihalick adjourned the meeting at 11:36 a.m., CT.