

## Higher Education Funding Committee

NDUS Update - August 6, 2013

1. Board president's update – President Diederich
  - a. Goals 2013-14
  - b. High performing board training and board self assessment
  - c. Acting chancellor's contract
  - d. Chancellor Search process and timeline
2. Chancellor's update – Chancellor Skogen
  - a. System office
  - b. Report on integration of attorneys and auditors into NDUS Office
  - c. Minot State University presidential search
  - d. Progress report on strategic plan and Pathways to Student Success plan
  - e. Status of Higher Learning Commission complaint
  - f. Update on status of funding pools
  - g. Textbook studies
3. Update on IT facility – Lisa Feldner
4. Accountability Measures 2012-13 – Michelle Olsen



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July 29, 2013

Dr. Kirsten Diederich, President  
North Dakota State Board of Higher Education  
10<sup>th</sup> Floor, State Capitol  
600 East Boulevard Avenue, Department 215  
Bismarck, ND 58505-0230

Dr. Larry Skogen, Interim Chancellor  
North Dakota University System  
600 East Boulevard Avenue #10  
Bismarck, ND 58505

Dear President Diederich and Chancellor Skogen:

I am writing in response to the letter of June 13, 2013 from former Chancellor Dr. Shirvani responding to issues raised in my letter of May 12, 2013. These issues were brought to the Commission's attention by a complaint filed by Dr. Ellen Chafee and also by numerous articles in the media describing a governance situation in North Dakota marked by turmoil and controversy.

In the meantime, Dr. Shirvani has departed and a search is under way for a new Chancellor.

The response of June 13 addresses each of the Core Components I identified in my letter by attempting to demonstrate how the University conducts its regular activities as required by those Core Components. The point, as I understand it, is that at many levels academic and institutional governance in North Dakota continues in very routine and appropriate ways. The letter also describes important initiatives at the state level to improve the quality and outcomes of higher education in North Dakota. However, the response does not address directly the specific allegations outlined in Dr. Chafee's complaint or grapple with the significant questions posed in my letter of May 12.

Although the departure of the former Chancellor resolves an immediate situation, the longer-term questions I identified remain open questions that this response has not resolved: questions about how the Board acts independently and in the best interest of the individual Universities and their students, and how it works collaboratively with institutional presidents to accomplish important educational objectives while following the requirements of law and procedure.

Therefore I am requiring that the Universities host an Advisory Visit team of Commission peer reviewers and staff. This team will visit the NDUS office to gather additional information about how the Universities and the Board work together to ensure compliance with the Commission's Criteria for Accreditation, particularly Criterion Two, Core Component 2.C, requiring an autonomous governing board that makes decisions in the best interest of the institution and assures its integrity; Criterion Five, Core Component 5.B, requiring that governance and administrative structures promote effective leadership and support collaborative processes; and Criterion Two, Core Component 2.A, requiring that an accredited institution operate with integrity and establish and follow fair and ethical policies. These Core Components were the subject of my May 12 letter. I would encourage you to pay particular attention

to the sub-components of each core component, which further outline the behavior of the Board of an accredited institution and the quality of its oversight and involvement with its constituencies.

I am also adding to the foci of the visit Criterion Five, Core Component 5.D, requiring that an accredited institution work systematically to improve its performance by, as noted in the sub-components, learning from its operational and other experiences. As I read your response, I noted that the Board's agenda to improve the system and how that agenda is articulated and exercised appeared to play an important role in the controversy of the past few months.

The visit will take place in the fall of 2013. The visit should be scheduled after the 2013-14 academic year has started and at a time when the Board is available to meet with the team. The team will prepare a report of its findings with regard to the issues identified in this letter and any other issues the team identifies during the course of its work. I will review the report once it is complete and determine what additional action, if any, the Commission needs to take.

I ask that you identify a member of your staff to work with Commission staff to serve as a primary point of contact for coordinating the visit. Please provide me with contact information for that staff member. Karen Solinski, Vice President for Legal and Governmental Affairs, will serve as the primary coordinator of the visit for the Commission and can be reached by telephone or email (312-263-0456 ext. 111 or [ksolinski@hlcommission.org](mailto:ksolinski@hlcommission.org)).

In preparation for this visit I also ask that your staff work with the Board and the institutional presidents to develop a thoughtful and detailed report related to the Universities' compliance with the Criteria and Core Components I have identified. While I appreciate the number of exhibits, including agenda and minutes, marshaled for the June 13 response, I would ask that the report you provide have a strong narrative that reflects collaborative work among the institutions and the Board.

Thank you for your cooperation in this review.

Sincerely,



Sylvia Manning  
President

cc: Ken Grosz, Campus Dean, Dakota College at Bottineau  
D.C. Coston, President, Dickinson State University  
Douglas D. Darling, President, Lake Region State College  
Gary D. Hagen, President, Mayville State University  
David G. Fuller, President, Minot State University  
John Richman, President, North Dakota State College of Science  
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Robert O. Kelley, President, University of North Dakota  
Steven Shirley, President, Valley City State University  
Raymond Nadolny, President, Williston State College  
Karen L. Solinski, Vice President for Legal and Governmental Affairs, Higher Learning  
Commission

## 13-15 Pooled Funds and Legislative Requirements Update, 7/23/13

### 1.) \$1 million master plan and space utilization study

- NEXT STEPS: A finance/physical plant workgroup meeting with NACUBO Facilities Management and Environmental Policy to explore best practices; continue to refine scope; likely issue RFI so can adequately scope final RFP for services

### 2.) \$10 million deferred maintenance pool

- NEXT STEPS: Run various options utilizing extraordinary repairs formula and circulate to Admin. Affairs Council for review

### 3.) \$5,483,413 capital projects contingency pool

- NEXT STEPS: Consult Chancellor Cabinet; proceed with case-by-case consideration and allocation

### 4.) \$5 million performance funding pool

- NEXT STEPS: Consult Chancellor's Cabinet. Need to circle back with appropriate groups to see if continue to support already identified "pilot" measures or develop new measures

### 5.) \$4 million oil impact funding

- NEXT STEPS: WSC, DSU and MiSU developing draft guidelines and budget plans for Chancellor review, and submission for Land Dept. consideration in about mid-October

### 6.) \$29 million Education Challenge Fund

NEXT STEPS: Statutory grant review committee in place; NDUS write check; work with Governor's Office on reporting requirements.

### 7.) Project Management Oversight

NEXT STEPS: Consult Chancellor's Cabinet. Refine options to demonstrate "adequate project management"