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4. 700 Series Policies

Vice Chancellor Krebsbach reviewed 700 series policies (Compensation). The committee discussed and requested that Policy 706.1 be held back and discussed further at the next committee meeting.

Volk moved to recommend approval of Policies 701.2 and 707, as presented, and hold back Policy 706.1 for further discussion at their next committee meeting.

After further discussion, Volk amended his motion to recommend approval of Policy 707 and hold Policies 701.2 and 706.1 back for further review by the committee at a future meeting.

Bye, Volk, Mihalick, Biller, and Black voted yes. Motion passed.

5. HR Policy 10

Vice Chancellor Krebsbach reviewed Policy HR 10.

Biller moved, Mihalick seconded, to recommend approval of Policy HR10.

Bye, Volk, Mihalick, Biller, and Black voted yes. Motion passed.

6. VCSU Transfer of Funds

Volk moved, Bye seconded, to recommend approval to ratify Chancellor's approval of the transfer of \$415,945 from the NDUS Capital Building Fund at the State Investment Board to the VCSU capital building fund appropriation line.

Bye, Volk, Mihalick, Biller, and Black voted yes. Motion passed.

7. NDUS Retirement Plan—Plan Expenses

Mr. John Godsoe provided background information, discussion, and direction that was discussed by the committee at previous meetings. He reviewed payment options for plan administration expenses for the NDUS 401(a) executive compensation retirement plan.

Volk moved, Bye seconded, to approve payment per capita basis for the current standing bills and temporarily exclude of the executive retirement plan from the allocation of plan expenses, until the executive plan has assets that generate revenue and then then it would be built back into them.

Bye, Volk, Mihalick, Biller, and Black voted yes. Motion passed.

8. Funding Formula Review

Committee Chair Black informed the members that the funding formula review is on the agenda for educational purposes. Vice Chancellor Krebsbach will provide an overview, committee members can follow-up with him for additional information and/or questions, and it will be placed on a future agenda for further consideration.



Title: 600 Series Policies Personnel

Proposed action: Approve/Not Approve amendments and review 600 series policies

Summary:

- x 602.3 Job Applicant and Employee Criminal History Background Checks
 - o No substantive change
 - o Periodic review
- x 603.2 Equal Employment Opportunity
 - o No substantive change
 - o Periodic review
- x 603.3 Nepotism
 - o No substantive change
 - o Periodic review
- x
 - o Periodic review
- x 614 Hazardous Substances Information Program
 - o No substantive change
 - o Periodic review
- x 615 Drug Free Workplace
 - o No substantive change
 - o Periodic review

Review Process

Legal Review	8/30/2023	Recommend approval
Senior Staff	9/25/2023	Recommend approval
HRC	10/3/2023	Informational
AAC	10/3/2023	Informational
Admin	10/3/2023	Recommend approval
SAC	10/3/2023	Informational
CIO	10/3/2023	Informational
Cabinet	10/12/2023	Recommend approval

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Committee Review
BFC
SBHE

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Policy: 602.3 Job Applicant and Employee Criminal History Background Checks

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Policy: 603.2 Equal Employment Opportunity

Effective: August 1, 2015

1. (YHU\ YDFDQW SRVLWLRQ VKDOO EH ILOOHG EDVHG XSRQ requirements of the job. Discrimination against an employee or applicant based on sex, race, color, religion, age, physical or mental disability, pregnancy, ~~status~~ regard to marriage

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Policy: 603.3 Nepotism

Effective: April 18, 2002

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1. NDUS officers and employees shall comply with N.D.C.C. ~~§409~~, relating to nepotism. Accordingly, an officer or employee may not, except as permitted by law, serve in a supervisory capacity over, or enter into a personal services contract with, ~~a relative~~
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 2. When two or more members of the same immediate family are employed in the same department or institution, the head of the department or institution shall reassign responsibility for performance evaluations, salary recommendations, disciplinary actions and other supervisory authority as necessary to comply with N.D.C.C. § 44

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607.4 Sick and Dependent Leave; Family ~~(FMLA)~~ Leave

Effective Date: June 17, 2004

Employees excluded from the broadbanding system, other than faculty and members of the academic staff, are entitled to sick or dependent leave ~~and family leave~~ under the same terms and conditions governing sick or dependent leave ~~and family leave~~ for employees subject to the broadbanding system according to the NDUS Human Resource Policy Manual.

Each institution shall adopt policies governing paid sick or dependent leave ~~and family leave~~ for members of the academic staff.

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Policy: 614 Hazardous Substances Information Program

Effective: February 6, 1987

Institutions and entities under the control of the SBHE having hazardous substances shall implement and employ an information and hazardous waste management program in accordance with federal and state laws and regulations.

HISTORY: New policy, SBHE minutes, February 6, 1987.

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Policy: 615 Drug Free Workplace

Effective: April 18, 2002

All NDUS institutions, officers and employees shall comply with the ~~Drug~~ Drug Free Workplace Act of 1988. The Chancellor and institutions shall adopt and enforce policies and procedures implementing that Act and this policy.

~~Reference~~ **REFERENCE:** NDUS Procedure 615 Drug Free Workplace Act of 1988, 41 U.S.C. 701 et seq.

HISTORY: New policy, SBHE minutes, April 20, 1998; Amendment, SBHE minutes, April 17, 1998; Amendment, SBHE minutes, April 18, 2002.

State Board of Higher Education
Policy Summary

Title: 700 Series, Compensation

Proposed action: Periodic review of 700 series policies

Summary: Policies and procedures are reviewed every five years to ensure they are still and comply with applicable laws and regulations. No substantive changes have been recommended.

- x 701.2 Developmental Leave
 - o Substantive change
 - o Remove out of date portion
 - o Periodic review
- x 706.1 Board Member and Advisor Per Diem Payments
 - o No substantive change
 - o Periodic review
- x 707 Severance Pay
 - o No substantive change
 - o Periodic review

Review Process

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HRC	10/3/2023	Informational
AAC	10/3/2023	Informational
Admin	10/3/2023	Recommend approval
SAC	10/3/2023	Informational
CIO	10/3/2023	Informational
Cabinet	10/12/2023	Recommend approval

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terms the Chancellor approves. The Chancellor shall submit a written proposal to the SBHE
president describing the planned use of the leave and anticipated benefits to the NDUS, and
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3. Developmental leave for the Chancellor shall be approved by the SBHE; developmental leave for NDUS o

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Policy: 706.1 Board Member and Advisor Per Diem Payments

Effective:

topics to be discussed in advance unless it is not practical to do so, in which case they shall inform and consult the SBHE president as soon as practical after the event. In addition, upon request in advance by SBHE member, the SBHE president may approve reimbursement of per diem in excess of five days for attendance at such events by a member, subject to SBHE approval of allocation of additional funds for such reimbursement. SBHE members are entitled to reimbursement including per diem for such events only as approved by the SBHE president.

3. A SBHE member is not entitled to per diem for attendance at institutional athletic, social or cultural events, or other campus events or meetings with institutional officials attended upon invitation of institution officials and not as the official representative of the SBHE.
4. Per diem shall be paid for travel days when travel is necessary on the day before or after a meeting or other function for which per diem is paid. For travel days for which per diem is not otherwise due, SBHE members shall be paid half the per diem for a full day for travel less than four hours and the full per diem for travel requiring four or more hours.
5. SBHE members shall be reimbursed for travel expenses from the NDUS office appropriation for attendance at meetings and functions for which per diem is paid. Travel expenses for attendance by SBHE members at other institution functions at the invitation of L Q V W L W X W L R Q V F K L H I H [H F X W L Y H R I I L F H U V K D O O E H U H expenses for travel to institutional athletic, cultural or social events not involving SBHE business may not be reimbursed. The faculty and staff advisors shall be reimbursed for travel expenses from the NDUS office appropriation for attendance at SBHE meetings and functions and CCF or staff senate meetings. The faculty and staff advisors shall be reimbursed for mileage only from the NDUS office appropriation for other official meetings or functions requiring travel to or from institutions. Lodging and meals for the faculty and staff advisors for these additional events shall be furnished by the host institution.
6. Per diem and reimbursement for travel to outstate meetings or conferences shall be paid only when approved in advance, in writing, by the president of the SBHE.

~~Reference~~ **REFERENCES:** N.D.C.C § 1510-08, SBHE Policy 310.1

HISTORY: Replaces Article I, Section 5, A, 4, page 46, SBHE minutes, March 8, 1984; Amendment, SBHE minutes, Sept. 20, 1985; Amendment, SBHE minutes, January 20, 1994; Amendment, SBHE minutes, April 20, 1994; Amendment, SBHE minutes, March 30, 2001; Amendment, SBHE minutes, January 27, 2005; Amendment, SBHE minutes, September 15, 2011.

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Policy: 707 Severance Pay

Effective: February 3, 2016

1. Institutions and the NDUS office may provide severance pay to an employee who is released due to a reduction in force, subject to the following:
 - a. The maximum payment is the equivalent of the individual's salary, retirement benefits, and health benefits for two weeks per completed year of service, up to a maximum of one year of salary and benefits.
 - b. The number of employees in the institution or office must be reduced by one for each individual awarded severance pay.
 - c. Employees may not receive severance pay if they are awarded early retirement, developmental leave, or other forms of special compensation at the time of separation.
 - d. Employees receiving severance pay shall release the institution from liability and all employment rights by written agreement.
 - e. The severance pay agreement with an employee must provide that the employee shall reimburse the institution on a pro rata basis if salary compensation is received from another North Dakota state agency or institution for services rendered during the time for which severance pay was received. The amount to be reimbursed shall be equal to the hourly rate of severance compensation or subsequent state compensation, whichever is less, multiplied by the number of hours of subsequent state employment during the severance pay period.
2. In addition to severance pay and consistent with N.D.C.C. § 54-04.3, institutions and the NDUS office may provide financial incentives to encourage an employee to retire or resign if
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REFERENCE: N.D.C.C. § 5414-04.3

State Board of Higher Education
Policy Summary

Title: Human Resources Policy 10 Retirement

Proposed action Approve/Not Approve the amendments to



Summary of Proposed Action SBHE Meeting – October 26 , 2023

1. Issue: VCSU has been granted an exemption to the N.D.C.C. 154.1 matching requirements in 2023 HB1003, section 40 access \$15,945 for Tier III capital building funds as designated in 2019 HB 1003 sections 30. The NDUS System Office is requesting a transfer from its NDUS Capital Building Fund account at the State Investment Board of \$15,945.
2. Proposed motion: Ratify Chancellor's approval of the transfer of \$15,945 from the NDUS Capital Building Fund at the State Investment Board to the VCSU capital building fund appropriation line.
3. Background: HB1003, section 1 provides \$24 million from the ns.00j /TT0 1 Tf 0 .00s-Tw [(0)Tj (.s)Tj (.00j7-6 (n) improvements fund. Tier II capital building fund pool requires \$1 in matching funds from operations



Retirement Plan Invoices/Payments

- a. Approve expense allocation method for invoices not identified as specific to a plan(s)
 - i. Allocation by plan asset values of each plan
- b. Approve how invoice expenses are paid by each retirement plan:
 - i. 1st Priority –Specific plan revenue credits
 - ii. 2nd –Priority– Specific plan investments

executive compensation retirement plan Payment options include:

1. Assess participants on a ~~pro~~ ~~rata~~ basis.
2. Assess participants on a percapita basis (recommended).

Financial matters: Supports SBHE fiduciary duty support of the prudent standard to minimize risk and maximize plan participant outcomes.

Legal/policy matters: Reviewed by SBHE Attorney Larson and Attorney Godsoe

Academic matters: none

Review Process Budget and Finance Committee

Chancellor's recommendation Chancellor Hagerott recommends approval.

Contact information: David Krebsbach, Vice Chancellor for Administrative Affairs/Chief Information Officer
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- Established during the 2013 North Dakota Legislative Assembly.
- Cost-based funding model providing a fixed dollar amount per completed adjusted student credit hour
- Student Credit Hours (SCH) used are from the most recently completed biennium (2023-25 calculation uses SCH from the 2019-

Performance -Based Funding Formula

- 2023 Legislative Changes:
 - Career and Technical Education (CTE) weighting factor changed to 5.0 and added Dental Hygienist/Dental Assistance credits to the CTE Category (formerly in the Health Sciences category)
- Capital investments are appropriated separately. The Legislative Assembly can appropriate additional amounts as necessary
- North Dakota Century Code Chapter 15-8.2
 - State Aid For Institutions of Higher Education

- 19-21 SCH's by course level are multiplied by the cost factor assigned to the discipline cluster for the specific Classification of Instructional Program (CIP) code to determine the weighted SCH.

Higher Education Funding Formula (Continued)

2023-25	
Base %	
Incr/Decr	
↑	13.31%
0%	↑ 16.70%
5%	↑ 7.00%
3%	↑ 8.50%
3%	↑ 10.25%
9%	↑ 17.50%
0%	↑ 14.28%
0%	↑ 13.34%
0%	↑ 10.40%

