



**FINANCE AND FACILITIES COMMITTEE  
OCTOBER 23, 2013  
10:15 A.M.**

**MCCORMICK ROOM  
30 7TH STREET EAST  
SAINT PAUL, MN**

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**Please note: Committee/Board meeting times are tentative. Committee/Board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.**

- (1) Minutes of June 19, 2013 (pp. 1 – 10)**
- (2) Proposed Amendment to Board Policy 5.21 Possession or Carry of Firearms (First Reading) (pp. 11 – 17)
- (3) Proposed Amendment to Board Policy 5.23 Security and Privacy of Information Resources (First Reading) (pp. 18 – 21)
- (4) North Dakota Reciprocity Agreement Approval (pp. 22 – 28)**

Members

Michael Vekich, Chair  
Dawn Erlandson, Vice Chair  
Duane Benson  
Phil Krinkie  
David Paskach  
Thomas Renier  
Elise Ristau

**Bolded** items indicate action required.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES**

**BOARD OF TRUSTEES**

**FINANCE AND FACILITIES COMMITTEE**

**MEETING MINUTES**

**June 19, 2013**

*Finance and Facilities Committee Members Present: Chair Michael Vekich, Trustees Brett Anderson, Dawn Erlandson, Philip Krinkie, Alfredo Oliveira, David Paskach, and Thomas Renier*

*Other Board Members Present: Margaret Anderson Kelliher, Duane Benson, Cheryl Dickson, Clarence Hightower, Maria Peluso, Louise Sundin*

*Leadership Council Representatives Present: Chancellor Steven Rosenstone, Vice Chancellor Laura King, President Joe Opatz, President Richard Hanson*

The Minnesota State Colleges and Universities Finance and Facilities Committee held its meeting on June 19, 2013 4<sup>th</sup> Floor, McCormick Room, 30 East 7<sup>th</sup> Street in St. Paul. Chair Vekich called the meeting to order at 9:22 a.m. and noted that Trustees Oliveira and Paskach were present by phone.

**1. Minutes of May 22, 2013**

The minutes of the May 22, 2013 Finance and Facilities Committee were approved as published.

**2. Minutes of June 3, 2013**

The minutes of the June 3, 2013 special Finance and Facilities Committee were approved as published.

**3. Finance and Facilities Update**

Vice Chancellor King reported that Minnesota Management and Budget (MMB) had repaid the \$575 million owed to Minnesota State Colleges and Universities on May 31, 2013. MMB has been consistent in repaying the loans on time.

The Office of the Legislative Auditor is reviewing the State of Minnesota's use of General Obligation bond proceeds from 2008-2010. The audit will include 5 capital projects and several Higher Education Asset Preservation and Replacement (HEAPR) projects and is scheduled for completion in August 2013. There were no substantial findings from the last audit in 2009. Auditors will be looking at compliance with statute and constitutional eligibility.

The Classroom, Event Management, Resource Scheduling (CEMRS) project, which replaces R25 room scheduling, is in its final wave of implementation at the campuses. Completion is scheduled for Sept. 30, 2013.

The current fiscal year ends on June 30, 2013. Work is on track to close FY2013 and open FY2014.

#### **4. FY2014 Operating Budget (Second Reading)**

Vice Chancellor King introduced Leadership Council Finance Liaisons Presidents Opatz and Hanson, Deb Bednarz and Susan Anderson of the Financial Planning & Analysis unit, and Craig Schoenecker, System Director of Research. With the close of the legislative session, colleges and universities have revised their budgets and tuition tables to reflect the legislatively-mandated tuition freeze and other legislative actions, and the revisions are included in today's materials. Also included in the supplemental packet (page 80) is a response to questions that arose during the May meeting. Overall, the budget reflects a modest increase in both revenue and expenses, and it is a good budget for students. Vice Chancellor King turned the presentation over to Ms. Bednarz.

Ms. Bednarz said that the meeting will focus on the results of the 2013 legislative session, an analysis of the net cost of education (known as the "Benson Table"), a review of the all-funds, general fund, and revenue fund budgets, and an overview of the attachments and supplemental materials provided.

Ms. Bednarz reported that Minnesota State Colleges and Universities (MnSCU) received a significant increase in state funding for the biennium. It was increased by \$102 million or 9.4 percent over base funding levels. \$78 million was dedicated to tuition relief, keeping undergraduate rates at the current levels, and will be distributed to the campuses to offset revenues that would have been generated from tuition increases; \$7.3 million was appropriated for leveraged equipment in FY2015; one-time funds of \$17 million were appropriated for retaining quality faculty and staff. The Chancellor and the Leadership Council will determine how these funds can best be spent, consistent with the legislative language. Reallocation of \$44 million will continue to be part of the system's operating budget strategy.

The system's 2014-2015 biennial budget request was designed to support the system's Strategic Framework. The enacted legislation in the higher education bill and in other bills will help advance the system's strategic framework. Ms. Bednarz referred to Table B on page 21 of the packet.

Advancing the competitiveness of MN's workforce is helped by several initiatives: leveraged equipment funding appropriated for FY2015, internships and apprenticeships (including Greater MN internship business tax credit & STEM internship opportunities), FastTRAC support, and a manufacturing and training pilot, and mental health counseling to farm business owners related to Farm Business Management.

The tuition freeze, adoption of features of the DREAM Act, and expansion of the state grant program to part-time students and other changes to the state grant program all help advance the system's priority of increasing access and affordability.

Retaining quality faculty and staff and the increase in the PSEO payment help support accelerated completion.

The legislature increased funding for the state grant program by \$75.4 million over the biennium. Part-time MnSCU students will benefit the most and it is estimated that an additional 8,300 students will now be eligible for the state grant program as a result of changes to the formula for part-time students. The primary changes that impact MnSCU students are increasing the assigned student responsibility (ASR). The net impact of this change will reduce the size of state grants for all recipients, however, the living and miscellaneous expense allowance increased from \$7,000 to \$7,900 netting an increase of the state grants for all recipients. The assigned family responsibility (AFR) for MnSCU students will be prorated with credit load in 2014 to treat part-time students more equitably, and in addition, federal Pell grants will increase by a \$95 cost of living adjustment.

Ms. Bednarz reported that the estimated change in student cost by credit load and also by income level will result in net decreases in FY2014, ranging from \$70 for recipients enrolled for 15 or more credits at the state universities to \$294 for recipients enrolled from 12 to 14 credits at the state colleges. Ms. Bednarz noted that state grant recipients in the lowest income category are projected to experience the smallest net decreases in student cost because most have no AFR, and consequently don't benefit from the proration of AFR. It is estimated that grant recipients at the colleges will pay an average of \$1,421 in tuition after subtracting their state and Pell grants. The estimated cost for university students is \$2,285. Trustee Benson thanked the Finance division for their work on the analysis and recommended the student debt be addressed at a future date. Vice Chancellor King referred the Board to page 26 of the packet, which shows a reduction in student cost for all state grant recipients, no matter what the level of enrollment. Chancellor Rosenstone commented that even if you come from a very modest household income of under \$20,000, with the aid of a Pell and state grant, you can attend a MnSCU college full-time (30 credits per year) for \$737 or a MnSCU university for \$989 and that is something the Board should be proud of.

Ms. Anderson reported that the proposed 2014 all-funds budget will grow by \$48.6 million (2.6 percent) and expenses are projected to increase by \$61.9 million (3.4 percent) over the prior year level. A slight increase to the all-funds budgetary fund balance of \$5.5 million for FY2014 is projected, representing three-tenths of one percent of revenue. In FY2014, colleges and universities are anticipating using \$13.2 million of fund balance, equivalent to less than one percent of total revenue and consistent with the FY2013 use of \$14.3 million in fund balance.

Ms. Bednarz noted that tuition and revenue fund fees are found in the attachment to the Board packet and the supplemental packet contains detailed information on college and university operating budgets, tuition and fees, allocation of state appropriation, enrollment, and reserve balances. Copies of student consultation letters are also included. Ms. Bednarz

presented the motion to adopt the all-funds budget, and approve the tuition structure, and revenue fund rates and fees.

Trustee Sundin inquired if detailed records were kept on the AFR. Vice Chancellor King assured that the information was kept.

Trustee Krinkie moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Anderson seconded the motion. The motion prevailed.

**RECOMMENDED COMMITTEE ACTION:**

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

Adopt the annual total operating budget for fiscal year 2014 in Table F. Pursuant to Board Policy 5.9, the Board of Trustees will be periodically provided systemwide budget updates for all funding sources on an exception reporting basis.

Approve the proposed tuition structure recommendations for fiscal year 2014 as detailed in Attachments 1A through 1E.

All tuition increases are effective Summer Term or Fall Term 2013 at the discretion of the president. The chancellor is authorized to approve tuition structures for new courses or programs proposed after this date, as well as any required technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2015 tuition recommendations are presented to the Board of Trustees.

The Board of Trustees continues the policy of market-driven tuition for closed enrollment courses, customized training, and non-credit instruction, continuing education, and contract postsecondary enrollment option programs.

Approve the Revenue Fund and related fiscal year 2014 fees for room and board, student union, wellness and recreation facilities, and parking ramps/surface lots as detailed in Attachments 2A through 2D, including any housing fees that the campuses may charge for occupancy outside the academic year. Approve the fiscal year 2014 fees structure for room and board for colleges who either own or manage student housing as detailed in Attachments 2E and 2F. The Chancellor is authorized to approve fee structures for any new revenue fund programs as well as any technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2015 recommendations are presented to the Board of Trustees.

**5. 2014 Capital Budget (Second Reading)**

Vice Chancellor King indicated that there is strong support from campus presidents and CFOs for the 2014 Capital Budget and that the request had not changed since the first reading and asked Associate Vice Chancellor Brian Yolitz to lead the presentation.

Mr. Yolitz thanked campus leadership, campus staff and system office staff for their assistance with the capital budget request.

The recommended 2014 capital program prioritizes asset preservation through HEAPR. Line-item projects within the recommended program provide improvements to the educational capacity of existing space by making the space more efficient and effective in supporting students. Five projects provide expanded workforce training capacity at two universities (Metropolitan State and MSU, Mankato) and three colleges (MState, MSU Moorhead, Saint Paul College, and Century College). The program also replaces or eliminates obsolete space through line-item projects at seven campuses.

The recommended capital program for 2014 seeks \$227.7 million in state General Obligation bonding funds to be coupled with \$58.8 million in system financing to execute a total capital program of \$286.5 million; \$110 million for HEAPR; \$20.6 million for demolition of obsolete space (above what is embedded in line-item projects); and \$155.9 million for 24 priority line-item projects, reflecting work at 27 campuses.

Within the 24 priority line-item projects, eight have been funded for design or advance work in prior years, eight have been to the legislature twice, five represent smaller projects formerly bundled as systemwide initiatives, now bundled at intuitional priorities, and three are major new projects. If all projects were fully funded, there would be approximately \$59 million in 'tails' for future bonding.

The proposed recommendation will increase space by 278,285 square feet; however, demolition of 535,645 square feet will reduce the overall facilities footprint by 257,360 square feet. Chancellor Rosenstone noted that less than 20 percent of the recommendation is dedicated to new space.

Mr. Yolitz gave a recap of the capital development process. Each MnSCU institution has a Facilities Master Plan that takes into account academic plans, workforce and demographic trends, and facility age, condition and configuration. Plans are approved by the system office. In preparation for bonding years, the Board issues guidelines for capital investment and expectations on program size. Those guidelines are used in project review and scoring. As a result of the legislative session and Board discussion, the capital recommendation was then formed. Once approved by the Board, the recommendation will be submitted to MMB for inclusion in the state's overall capital bonding process in the run up to the 2014 legislative session.

HEAPR has been the Board's number one priority and is used for care of buildings and systems, code compliance, and energy improvements. MnSCU's strategy is to *Keep Up* with anticipated renewal needs (five years - \$414 million) and *Catch Up* by reducing the deferred maintenance backlog (\$705 million) by 50 percent over 10 years.

Mr. Yolitz said that the proposed capital recommendations provides a programmatic impact of \$155.9 million investment in STEM, Allied Health, technical programs, business and education, and student support services.

The demolition initiative will help provide fiscal and facility sustainability and help reduce HEAPR expenses by removal of mothballed and chronically underutilized space. The initiative will be managed similar to HEAPR. Staff suggests the pursuit of changes to statute to group demolition projects with HEAPR projects. Chancellor Rosenstone said, through demolition, there would be significant utilities costs savings. Mr. Yolitz noted that there would be \$30 million saved through avoidance of deferred maintenance backlog and approximately \$600,000 per year savings in utilities - \$36 million in ten years. Trustee Sundin asked if part of the demolition process includes recycling and reusing in the community. Mr. Yolitz responded that many of the construction materials are recycled and reusable items would be offered up to other campuses, either by donation or trade. Trustee Benson inquired who performs the demolition work and what happens to the material that is extracted that has resale value. Mr. Yolitz answered that it can be a combination – at times facilities will take what is reusable and turn the rest over to a contractor. It all depends on the project.

Trustee Krinkie asked what percent of courses are taken online and the impact that online courses have on academic space. Vice Chancellor John O'Brien, who was in the audience, responded that 22% of FYE is taken online. Vice Chancellor King noted that historically students are dual enrolled so MnSCU has not seen a decline for academic space, parking, and residence halls. This trend may be diverging. New buildings will address current needs and have the ability to respond to changing environments. Chancellor Rosenstone said that the strategic workgroups will make recommendations around campus' Master Plans. Trustee Krinkie expressed concern that there are projects in the proposal that require new construction when there is a demolition initiative to reduce the footprint. Trustee Anderson said that the bulk of the investment is for STEM, Allied Health, and technical programs which cannot be taught online. Chancellor Rosenstone added that less than 18% of the capital program is for new facilities in high demand areas that attract high enrollments.

Included in the Board packet is a debt service scenario that replicates the current capital project proposal over a period of twenty years. It assumes flat revenue and a four percent bond interest rate which is higher than current market rates. At the end of twenty years, MnSCU will still be within three percent of revenues assigned to debt costs, which demonstrates a very safe and conservative approach to capital investments and the debt service that goes along with it.

Mr. Yolitz responded to questions that arose from the first reading of the capital budget. On average, the system has sought \$295 million in total capital programming in even numbered bonding years since 2000. Over a biennium, the average request has been \$207 million for capital program investments. HEAPR requests have averaged \$106 million with average funding of approximately 50 percent and line item project requests have averaged \$189 million and have been historically funded at approximately 82 percent. In a comparison to the University of Minnesota (U of M), MnSCU funding has come in at 53% of what was requested, while the U of M received 61% of their request. While the U of M has had a greater portion of its GO request funded, MnSCU has received slightly more in dollars. This

conclusion does not take into account the U of M's TCF Stadium (\$51.3 million to date) or the ongoing U of M's bioscience initiative (\$20 million to date).

Mr. Yolitz asked Presidents Opatz and Hanson to comment. President Opatz said that there was disappointment by campus leadership that there was no bonding bill that emerged from the recent legislative session. President Opatz said the capital recommendation process is rational, detailed, and objective. President Hanson praised the systematic approach to the request and said that addressing renewal and renovation and the demolition of obsolete spaces will solve many problems.

Mr. Yolitz introduced the recommended motion. The motion contained three elements - approve the projects and priorities for 2014 (Attachment A), the Chancellor will work with MMB on the process and keep the Board informed of developments, and as projects are authorized and funded, execute those projects and deliver on the project scope and intent. Mr. Yolitz asked the Board for comments and questions.

Trustee Hightower referred to page 89, project #4 – Bemidji State University (BSU) and asked why that project was listed as both design and construction but also shows a prior appropriation. Mr. Yolitz said that BSU funded the design of a demolition element of the existing hall and is seeking design funding for the Haag Sauer building.

Trustee Krinkie referred to the table on page 87 and stated that on average, since 2006, only 38% of MnSCU's capital bonding requests were funded. Trustee Krinkie said that if MnSCU asked for more, perhaps, MnSCU would get more in terms of dollars. Mr. Yolitz said that whatever gets funded will be executed. The remaining projects are still valid requirements and MnSCU leadership must do a good job of setting up legislative visits to the campuses and make a case for support of the recommendation. Trustee Krinkie asked how the legislature would differentiate between what is a wish list and what is a necessity. Chancellor Rosenstone replied that the list that was submitted is not a wish list – it is a must do list and low priority items are not included. Trustee Krinkie responded that based on prior funding, not all projects will be approved. Chancellor Rosenstone said that he is counting on the Board to help relay to the legislature, the importance of HEAPR and the capital program that has been developed, and help change historic funding percentages. Trustee Hightower noted that the recommendation is consistent with the Board's priorities.

Trustee Erlandson moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Renier seconded the motion. The motion prevailed.

**RECOMMENDED COMMITTEE ACTION:**

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

The Board of Trustees approves the 2014 capital bonding request as presented in Attachment A, specifically the projects and priorities for 2014. The Chancellor is authorized to make cost and related adjustments to the request as required, and to forward the request through



Minnesota Management and Budget to the Governor for consideration in the state's 2014 capital budget. The Chancellor shall advise the Board of any subsequent changes in the capital bonding request prior to the 2014 legislative session. In addition, as funding is authorized and appropriated by the legislature and approved by the Governor, the Chancellor or his designee are authorized to execute those contracting actions necessary to deliver on the project scope and intent.

**6. Campus Service Cooperative Results and Contract Governance Including Approval of Several Contracts Exceeding \$3 Million**

Vice Chancellor King said that the Campus Service Cooperative (CSC) initiative began three years ago and is led by an advisory committee which includes vice chancellors and campus presidents. The CSC's return on investment (ROI) has been very positive. Campus leadership has been supportive and the CSC's success depends on participation by the campuses. The strategy of bundling purchased activities through the CSC is expected to yield \$4-5 million in savings annually and shared services is expected to yield an additional \$4 million, resulting in a ROI of 3:1 and is expected to grow to 4:1 by the end of next year. Vice Chancellor King asked Colin Dougherty, CSC Managing Director to give the presentation.

Mr. Dougherty thanked Trustees Cirillo and Vekich for their participation with the CSC. The CSC is in its fourth month of a six month cycle and is asking permission from the Board to move ahead. The three main components of the CSC are sourcing, common practices and change management.

Mr. Dougherty reported the CSC held its first ever online reverse auction to get the best pricing to procure paper products systemwide. Four suppliers participated and 45 bids were submitted. The initial steps delivered 17 – 23% savings over current prices. Another tangible example of cost savings was the contract negotiated with Sherwin Williams for paint. There is over 26 million square feet of space throughout MnSCU and campuses were paying anywhere from \$20 to \$35 for a gallon of paint. A contract negotiated by the CSC with Sherwin Williams produced a 10.7% savings per gallon of paint. Cell phone usage has been identified as another way to create savings. Currently there are over 1,500 system-owned cellphones and only 1/3 of the minutes are being used. Negotiations are underway to produce a contract that will allow MnSCU to operate as one large "family plan". Mr. Dougherty called on some of the advisory team members for comment.

President Collins said the Northeast Higher Education District (NHED), being a multi-location college, fully supports the efforts of the CSC. NHED has been sharing services within the district since its inception. There has also been collaboration with the Northeast Leadership Council in shared staffing. NHED brings experience in sharing staff and services to the CSC. President Collins applauded the work of the CSC and the partnership with IBM. It is driving positive change and the result is savings for the benefit of students, faculty and staff.

Chris Halling, System Director for Financial Aid, addressed the student affairs perspective. The work of the CSC will provide simplification and standardization of processes. This is an

opportunity for campuses to work together and identify optimal practices. Standardizing processes systemwide will result in better speed, accuracy and compliance. This will free up resources so staff can better serve the students with placement, loan counseling, financial literacy, etc.

Sue Appelquist, Associate Vice Chancellor for Human Resources said that Human Resources is partnering with the CSC and IBM to streamline processes such as onboarding, faculty transactions, payroll, and retirement processes – all labor intensive areas. By automating processes, more time can be spent on workforce development, talent acquisition, employee engagement and professional development. Front line staff have been assisting with this work. A student internship program will be developed through the CSC. Components of the internship might be project management, communications, change management and business process redesign.

Chair Vekich asked Mr. Dougherty to define the two actions that are on the agenda. Mr. Dougherty said that one item is regarding the contract work that is going on now in Cycle One. The CSC is negotiating contracts for items such as paint, print management, IT software and accessories, and janitorial supplies. It is expected that the total value of the contracts will exceed \$3 million, therefore requiring Board approval for the contract work. The second item is a request for funding that will move the CSC into Cycle Two.

Jason Cavallo, Lead Project Manager, said that the Cycle One work has involved nine different spending categories in strategic sourcing. The Cycle One investment was \$2.5 million, but has delivered \$4 - \$5 million in annual savings by addressing the \$25 million in annual spending. The goal is to deliver over \$15 million in savings over the next three years. The CSC has also tackled 11 different administrative processes that will result in \$16 million in savings. Through the Itasca Project, there has been outreach to private business leaders who have given input on negotiation strategies and best practices.

Trustee Cirillo said that he attended the reverse auction and it is a good process. Trustee Cirillo commended the work of IBM with the CSC. Chancellor Rosenstone said that he appreciated the participation of the Trustees. One aspect that was not mentioned is partnerships that extend beyond MnSCU. Contracts do not have to be MnSCU contracts – it could be any existing state contract that brings value to MnSCU. There is an open invitation to anyone who can bring the best value to the system.

Trustee Erlandson said because of the good work of the CSC, it should be in the news and it is a good example of better leveraging of taxpayer dollars. Trustee Renier added that the underlying story is the savings to the students. Chancellor Rosenstone said what makes this exciting is the leadership and direction by the colleges and universities. There has been a lot of work done in a short amount of time and there has been buy in from the campuses.

Trustee Anderson moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Krinkie seconded the motion. The motion prevailed.

**RECOMMENDED COMMITTEE ACTION:**

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees authorizes execution of the following contracts in amounts not to exceed those listed for janitorial supplies, office supplies, managed print, and IT software and accessories, to provide supplies and services to colleges, universities, and the system office, each for a term not to exceed three years.

Janitorial supplies – not to exceed \$5.9 million

Office supplies – not to exceed \$6.5 million

Managed print – not to exceed \$23.1 million

IT software and accessories – not to exceed \$23.4 million

The Board directs the Chancellor or his designee to execute all necessary documents.

**7. Campus Service Cooperative Contract Approval Exceeding \$3 Million for Cycle Two (IBM)**

Cycle Two work will require an additional investment of \$4.5 million. The CSC is forecasting \$5 - \$7 million in savings based on \$35 million in annual spending. Purchasing cards, computer hardware and software, dining facilities and travel will all be targeted. Cycle Two will also include rolling out the common processes identified in Cycle One, resulting in systemwide efficiency.

Trustee Renier moved that the Finance and Facilities Committee recommend adoption of the following motion. Trustee Anderson seconded the motion. The motion prevailed.

**RECOMMENDED COMMITTEE ACTION:**

The Finance and Facilities Committee recommends the Board of Trustees adopts the following motion:

The Board of Trustees authorizes execution of an amendment to the contract with IBM for the Cycle Two of the shared services and strategic sourcing not to exceed \$4.5 million (FY14). The Board directs the Chancellor or his designee to execute all necessary documents.

The meeting was adjourned at 11:22 a.m.

Respectfully submitted,

Laury Anderson, Recorder

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Finance and Facilities Committee

**Date:** October 23, 2013

**Title:** Proposed Amendment to Board Policy 5.21 Possession or Carry of Firearms  
(First Reading)

**Purpose (check one):**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> Proposed<br>New Policy or<br>Amendment to<br>Existing Policy | <input type="checkbox"/> Approvals<br>Required by<br>Policy | <input type="checkbox"/> Other<br>Approvals |
| <input type="checkbox"/> Monitoring /<br>Compliance  | <input type="checkbox"/> Information                        |   |

**Brief Description:**

The primary proposed change is to allow any employee who is a licensed peace officer to carry a firearm in accordance with law while in work status as a MnSCU employee. This would change the current policy, which limits this authority to licensed peace officers employed by the system who are assigned related academic or public safety duties.

A second proposed change is to delete Part 8, which provides that colleges and universities are to adopt policies consistent with board policy. The deletion is recommended because it is redundant of authority under Board Policy 1A.1, which allows colleges and universities to adopt policies consistent with board policy and system procedure.

No changes are proposed to the policy's prohibition of students and employees from carrying firearms on system property.

**Scheduled Presenter(s):** Laura M. King, Vice Chancellor – Chief Financial Officer  
Gail Olson, Office of General Counsel

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

**BOARD ACTION**

**Proposed Amendment to Board Policy 5.21 Possession or Carry of Firearms**

**BACKGROUND**

Board Policy 5.21, Possession or Carry of Firearms, was adopted by the Board of Trustees in June, 2003, and became effective July 18, 2003. The policy was developed after the adoption of Minnesota Statutes § 624.714, Minnesota Citizens' Personal Protection Act of 2003. The current policy is written in accordance with the provisions of that act. Board Policy 1A.1, Part 6, Minnesota State Colleges and Universities Organization and Administration, requires periodic review of all board policies. Staff undertook the review of Board Policy 5.21 over the past year.

**PROPOSED CHANGES**

The amendments reflect the following proposed policy changes (other proposed changes are stylistic or technical):

1. **Employees who are licensed peace officers.** The primary proposed change is to allow any employee who is a licensed peace officer to carry a firearm in accordance with law while in work status as a MnSCU employee. This would change the current policy, which limits this authority to licensed peace officers employed by the system who are assigned related academic or public safety duties. The new language also provides that federally authorized law enforcement officials (both federal and from other states) may carry firearms on system property, consistent with federal requirements. The new proposed language is reflected in Part 4, Subpart B.4; other changes are made to reflect that new provision.
2. **College and universities policies.** A second proposed change is to delete Part 8, which provides that colleges and universities are to adopt policies consistent with board policy. The deletion is recommended because it is redundant of authority under Board Policy 1A.1, which allows colleges and universities to adopt policies consistent with board policy and system procedure.

No changes are proposed to the policy's prohibition of students and employees from carrying firearms on system property. The policy does not prohibit the lawful possession or carry of firearms in a parking area or parking facility, in accordance with statute. Visitors are also prohibited from carrying firearms on system property unless they have a lawful permit to carry a firearm pursuant to state law.

**REVIEW PROCESS**

The proposed board policy revision was circulated in accordance with procedures to all presidents, employee representative groups, student associations and campus leadership groups. The policy review was discussed with the Leadership Council on several occasions. All comments received during the review process have been examined and responses sent. Most of the comments sought clarification of the current policy. No objections to the proposed change regarding licensed peace officers were received from employee or student representative groups.

**RECOMMENDED COMMITTEE ACTION:**

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves the changes to Board Policy 5.21 Possession or Carry of Firearms.

**RECOMMENDED BOARD MOTION:**

The Board of Trustees approves the changes to Board Policy 5.21 Possession or Carry of Firearms.

*Date Presented to the Board of Trustees: October 23, 2013*



## Minnesota State Colleges and Universities Board Policies Chapter 5 – Administration

3 **NOTE: Proposed new language is underlined; proposed deleted language is struck**  
4 **through**

### 5 **5.21 Possession or Carry of Firearms**

6 Part 1. Purpose and Scope. The purpose of this policy is to establish restrictions on possession or  
7 carry of firearms applicable to the Minnesota State Colleges and Universities System, in  
8 accordance with the Minnesota Citizens' Personal Protection Act of 2003, Minnesota Statutes  
9 section 624.714, and other applicable law ([see related documents below](#)).

10 Part 2. Definitions.

11 Subpart A. Employee. "Employee" means any individual employed by Minnesota State Colleges  
12 and Universities, its colleges and universities and the system office, including student  
13 employees.

14 Subpart B. Firearm. "Firearm" means a gun, whether loaded or unloaded, that discharges shot or  
15 a projectile by means of an explosive, a gas or compressed air.

16 Subpart C. Pistol. "Pistol" means a weapon as defined in Minnesota Statutes section 624.712,  
17 subd. 2 ([see related documents below](#)).

18 Subpart D. Student. "Student" means an individual who is:

- 19 1. registered to take or is taking one or more courses, classes, or seminars, credit or  
20 noncredit, at any system college or university; or  
21 2. between terms of a continuing course of study at the college or university, such as  
22 summer break between spring and fall academic terms; or  
23 3. expelled or suspended from enrollment as a student at the college or university,  
24 during the pendency of any adjudication of the student disciplinary action.

25 Subpart E. System property. "System property" means the facilities and land owned, leased, or  
26 under the primary control of Minnesota State Colleges and Universities, its Board of Trustees,  
27 system office, colleges, and universities.

28 Subpart F. Visitor. "Visitor" means any person who is on system property, but does not include  
29 (1) an employee of the Minnesota State Colleges and Universities acting in the course and scope  
30 of their employment; or (2) a student, when that student is on system property.

31 Part 3. General. No person is permitted to carry or possess a firearm on system property except  
32 as provided in this policy.

33 Subpart A. Employees.

34 1. Prohibition. Employees are prohibited from possessing or carrying a firearm  
35 while acting in the course and scope of their employment, either on or off system  
36 property, regardless of whether the employee has a permit to carry a firearm,  
37 except as otherwise provided in this policy.

38 ~~2. Licensed peace officers. Subpart 3.A.1. does not apply to employees who are~~  
39 ~~licensed peace officers under Minnesota Statutes section 626.84, subd.1(c) ([see](#)~~  
40 ~~[related documents below](#)), when assigned by the college or university to public~~  
41 ~~safety duties.~~

42 2. 3. Employee reporting responsibility. An employee with a reasonable basis for  
43 believing an individual is in possession of or carrying a firearm in violation of this  
44 policy has a responsibility to report the suspected act in a timely manner, unless doing  
45 so would subject the employee or others to physical harm. Reports should be made to  
46 the official designated in the applicable policy of the college, university or system  
47 office. This policy shall not prohibit prompt notification to appropriate law  
48 enforcement authorities when an immediate threat to personal safety exists.  
49 Employees shall not make reports of a suspected violation knowing they are false or  
50 in reckless disregard of the truth.

51 Subpart B. Students.

52 ~~1. Prohibition. Students are prohibited from possessing or carrying a firearm while~~  
53 ~~on system property, regardless of whether the student has a permit to carry a~~  
54 ~~firearm, except as otherwise provided in this policy.~~

55 ~~2. Licensed peace officers. This policy does not apply to students who are licensed~~  
56 ~~peace officers under Minnesota Statutes section 626.84, subd.1(c) ([see related](#)~~  
57 ~~[documents below](#)).~~

58 Subpart C. Visitors.

59 ~~1. Prohibition. Visitors are prohibited from possessing or carrying a firearm while on~~  
60 ~~system property, except as otherwise provided in this policy.~~

61 ~~2. Licensed peace officers. This policy does not apply to visitors who are licensed~~  
62 ~~peace officers under Minnesota Statutes section 626.84, subd.1(c) ([see related](#)~~  
63 ~~[documents below](#)).~~

64 Part 4. Exceptions.

65 Subpart A. Parking areas. This policy does not prohibit the lawful possession or carry of firearms  
66 in a parking area or parking facility.



67 Subpart B. Authorized uses. This policy does not prohibit:

- 68 1. Lawful possession or carry related to an academic use or use at a campus shooting  
69 range, such as law enforcement programs, approved in writing by the college or  
70 university president; or  
71 2. Transport of an unloaded firearm directly between a parking area or parking  
72 facility and the location authorized for its use, or transport of an unloaded firearm  
73 directly between a parking area or parking facility and a storage facility provided  
74 by the college or university.  
75 3. Possession or carry of a pistol by a visitor who has a lawful permit to carry a  
76 pistol pursuant to Minnesota Statutes section 624.714, subd. 1a ([see related](#)  
77 [documents below](#)).  
78 4. Possession or carry of a firearm by a licensed peace officer under Minnesota  
79 Statutes section 626.84, subd.1(c) or by a qualified law enforcement officer  
80 pursuant to 18 United States Code section 926B ([see related documents below](#)),  
81 when possession or carry is otherwise authorized by law.

82 Nothing in this policy requires a college or university to provide storage facilities for employees'  
83 or students' weapons.

84 Part 5. Storage in State Vehicles Prohibited. No vehicle owned, leased, or otherwise under the  
85 control of the system shall be used to store or carry a firearm, except as authorized for purposes  
86 under part 4.B.1.

87 Part 6. Violations. Violations of this policy by students or employees are misconduct subject to  
88 discipline, up to and including expulsion or termination.

89 Part 7. Referral to Law Enforcement. Minnesota State Colleges and Universities may refer  
90 suspected violations of law to appropriate law enforcement authorities, and provide access to  
91 investigative or other data as permitted by law.

92 Part 8. College and University Policies. Colleges, universities, and the system office shall adopt  
93 policies and procedures consistent with this policy.

94 Part 9. Effect. In the event any other system, college, university or system office policy or  
95 procedure is found to be in conflict with this policy, the terms of this policy shall govern.

96

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## 97 **Related Documents:**

98 To view any of the following related statutes, go to the Revisor's Web site  
99 (<http://www.revisor.leg.state.mn.us/>). You can conduct a search from this site by typing in the  
100 statute number.

- 101 • Minnesota Statute 624.714, Minnesota Citizens' Personal Protection Act of 2003

- 102       • Minnesota Statute 624.712, subd. 2, definitions  
103       • Minnesota Statute 626.84, subd.1(c) licensed peace officers

104

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105   **Policy History:**

106   Date of Adoption: 6/18/03,  
107   Date of Implementation: 6/18/03,

108   Date & Subject of Revisions:

109   11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the term  
110   "Office of the Chancellor" to "system office," and to make necessary related grammatical  
111   changes.

112   There is no additional HISTORY for policy 5.21.

113

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Finance and Facilities Committee    **Date:** October 23, 2013

**Title:** Proposed Amendment to Board Policy 5.23 Security and Privacy of Information Resources (First Reading)

**Purpose (check one):**

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> Proposed<br>New Policy or<br>Amendment to<br>Existing Policy | <input type="checkbox"/> Approvals<br>Required by<br>Policy | <input type="checkbox"/> Other<br>Approvals |
| <input type="checkbox"/> Monitoring /<br>Compliance  | <input type="checkbox"/> Information                        |   |

**Brief Description:**

Board Policy 5.23 *Security and Privacy of Information Resources* has been reviewed and revised to better provide guidance and direction for ensuring Minnesota State Colleges and Universities information resources.

In 2012, a multi-institutional workgroup was formed to examine management practices for ensuring security of our computer systems. With oversight by the Board of Trustees, the Leadership Council, and the chancellor, the workgroup was charged by Vice Chancellor Darrel Huish with aligning board policy, system procedure, and system guidelines to complete the implementation of a vulnerability management technology that was installed more than five years ago in cooperation with the State of Minnesota.

**Scheduled Presenter(s):** Chris McCoy, Interim Vice Chancellor – Chief Information Officer  
Walt Swanson, Information Security Manager

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

*First Reading*

<b>BOARD ACTION</b>
Proposed Amendment to Board Policy 5.23 Security and Privacy of Information Resources (First Reading)

**EXECUTIVE SUMMARY**

Board Policy 5.23 Security and Privacy of Information Resources provides guidance and direction for ensuring the protection of Minnesota State Colleges and Universities information resources while making information accessible to fulfill its mission of providing high quality higher education.

**BACKGROUND**

Proposed changes to Board Policy 5.23 Security and Privacy of Information Resources add the requirement that Minnesota State Colleges and Universities adopt plans, programs and training consistent with the commitment, direction, and expectations to minimize risks with regard to information resources. This policy serves as the framework of regulatory compliance ensuring consistency in application of information security throughout the system.

**RECOMMENDED COMMITTEE ACTION:**

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves the changes to Board Policy 5.23 Security and Privacy of Information Resources.

**RECOMMENDED BOARD MOTION:**

The Board of Trustees approves the changes to Board Policy 5.23 Security and Privacy of Information Resources.

*Date presented to the Board of Trustees: October 23, 2013*

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

<b>BOARD POLICY</b>		
	<b>5.23</b>	
Chapter	5.	Administration
Section	23.	Security and Privacy of Information Resources Policy

**5.23 Security and Privacy of Information Resources**

**Part 1. Policy Statement.** ~~It is the policy of~~ Minnesota State Colleges and Universities ~~is~~ committed to protecting the security and privacy of its information resources and to make information accessible to fulfill its mission of providing high quality higher education as required by law. The system shall maintain the confidentiality, integrity and availability of information resources; ensure continuity of operations; prevent, control and minimize the impact of security incidents; and manage risks to those resources regardless of the storage medium, transmission or disposal methods. Each college and university and the system office shall adopt and implement privacy and security policies, ~~and~~ procedures, plans, programs and training for its information resources consistent with applicable system policy, procedures and other applicable standards and state and federal law.

All users of Minnesota State Colleges and Universities ~~S~~system information resources are responsible for the privacy, security, and appropriate use of those resources over which they have authority, access or control, and for compliance with applicable laws, regulations, policies, procedures, and other standards. Each college, university and the system office shall provide appropriate security awareness resources for its users.

**Part 2. Applicability.** This policy applies to all users of system information resources; and to all system information resources in any form or storage media, wherever located.

**Part 3. Definitions**

**Subpart A. Access.** Access means the authority to view information, and when appropriate, insert, update, delete, or download information. Access shall be authorized to individuals or groups of users depending on the application of law or system policy or procedure. Technical ability to access information is not necessarily equivalent to legal authority.

**Subpart B. Information Resources.** Information resources means all data collected, created, received, maintained or disseminated by any Minnesota State Colleges and Universities user, regardless of its form, storage media or conditions of use.

**Subpart C. System.** System, or Minnesota State Colleges and Universities ~~System~~system, means the Board of Trustees, ~~the system office,~~ the ~~state~~ colleges and universities, the system office, and any part or combination thereof.

32 **Subpart D. User.** User means any individual, including but not limited to, students,  
33 administrators, faculty, other employees, volunteers, and other authorized individuals using  
34 system information resources, whether or not the user is affiliated with Minnesota State  
35 Colleges and Universities.

36  
37 **Subpart E. Integrity.** Integrity means assuring that information is kept intact, and not lost,  
38 damaged or modified.

39  
40 **Subpart F. Availability.** Availability means assuring that information is accessible to  
41 authorized users when needed.

42  
43 **Subpart G. Confidentiality.** Confidentiality means assuring that information is accessible  
44 only as authorized.

45  
46 **Part 4. Scope**

47 | ~~—~~**Subpart A. Procedures.** The ~~Chancellor~~ chancellor shall adopt security and privacy  
48 procedures under this policy.

49  
50 **Subpart B. Sanctions.** Users who violate this policy or related system, college or  
51 university procedures shall be subject to disciplinary action through appropriate channels.  
52 Violations may be referred to appropriate law enforcement authorities.

*Date of Adoption: 04/19/06,*  
*Date of Implementation: 04/19/06,*

*Date and Subject of Revision:*  
*11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the*  
*term "Office of the Chancellor" to "system office," and to make necessary related*  
*grammatical changes.*

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES  
Agenda Item Summary Sheet**

**Name:** Finance and Facilities Committee

**Date:** Oct. 23, 2013

**Title:** North Dakota Tuition Reciprocity Agreement

**Purpose (check one):**

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Proposed<br>New Policy or<br>Amendment to<br>Existing Policy | <input checked="" type="checkbox"/> Approvals<br>Required by<br>Policy | <input type="checkbox"/> Other<br>Approvals |
| <input type="checkbox"/> Monitoring /<br>Compliance                                   | <input type="checkbox"/> Information                                   |   |

**Brief Description:**

The Minnesota Office of Higher Education and the North Dakota State Board of Higher Education recently made some modifications to the reciprocity agreement which requires Board of Trustee approval. These modifications do not have a direct impact to our system or students.

Board required action on the North Dakota Tuition Reciprocity Agreement occurred in May 2010 which changed the agreement to charge North Dakota residents enrolled at the University of Minnesota Dental School 100% of the non-resident rate instead of 75%. No other changes have been made to the agreement since FY2010 that required Board approval.

**Scheduled Presenter(s):**

Deborah Bednarz, Director – Financial Planning and Analysis

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

<b>ACTION ITEM</b>
<b>North Dakota Tuition Reciprocity Agreement Approval</b>

**INTRODUCTION**

Pursuant to Minnesota Statutes 136A.08, Subd. 6, tuition reciprocity agreements must be approved by the governing boards of the University of Minnesota and Minnesota State Colleges and Universities. The Minnesota Officer of Higher Education and the North Dakota State Board of Higher Education recently made some modifications to the reciprocity agreement which requires Board of Trustee approval. These modifications do not have a direct impact to our system or students.

**BACKGROUND**

Minnesota’s reciprocity agreement with North Dakota requires a contractual payment from Minnesota to North Dakota. The North Dakota payment calculation is based on Minnesota consistently sending more students to North Dakota than vice versa. Minnesota reciprocity students and the state’s general fund are responsible for the marginal instructional costs associated with educating the gap number of full-time equivalent (FTE) Minnesota students studying in North Dakota. Minnesota students pay a portion of the marginal instructional cost of their education through tuition, with the Minnesota general fund picking up the residual. All else being equal, increasing the tuition paid per student decreases a state’s general fund obligation.

Over the years, payments from Minnesota to North Dakota have ebbed and flowed based on the main drivers within the payment calculation: student flow, tuition rates and marginal instructional costs. During the past decade, Minnesota’s reciprocity payments to North Dakota have increased significantly. Though the Minnesota Legislature did appropriate additional funds to offset much of the increase in the projected reciprocity payments to North Dakota for the coming biennium, the Office of Higher Education renegotiated the terms of the agreement to ensure the future reciprocity payments did not exceed available funds.

**CHANGES TO THE AGREEMENT**

Under the terms of the existing agreement, students were charged the higher of the resident rate charged by the institution they attended or the resident rate of a comparable institution in their home state. This has typically been the Minnesota resident tuition rate for both Minnesotans studying in North Dakota and vice versa.



Under the terms of the modified agreement, Minnesotans studying in North Dakota will be charged 112 percent of the North Dakota resident undergraduate tuition rate and 127 percent of the North Dakota graduate tuition rate. Should projected reciprocity payments exceed available funds, these tuition surcharges may be increased by up to three percent during the next three academic years. Since Minnesotans studying in North Dakota will be paying slightly higher tuition rates, and therefore covering more of the marginal instructional costs, the residual state obligation covered by the interstate payment will decrease.

There were no changes to the agreement affecting what North Dakota residents are charged at Minnesota public colleges and universities. They will continue to be charged the higher of the Minnesota resident rate at the campus attended or the resident rate at a comparable North Dakota institution.

At the request of North Dakota, the agreement was also modified to allow either party to limit the number of reciprocity students admitted to occupational and physical therapy programs in their state. This change does not impact the Minnesota State Colleges and Universities.

**RECOMMENDED COMMITTEE MOTION:**

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

The Board of Trustees approves the North Dakota/Minnesota Reciprocity Agreement (Attachment A) in accordance with Minnesota Statutes section, 136A.08, Subd. 6, effective beginning with the 2013-2014 academic year.

**RECOMMENDED BOARD OF TRUSTEES MOTION:**

The Board of Trustees approves the North Dakota/Minnesota Reciprocity Agreement (Attachment A) in accordance with Minnesota Statutes section, 136A.08, Subd. 6, effective beginning with the 2013-2014 academic year.

*Date presented to the Board of Trustees: October 23, 2013*

**MINNESOTA-NORTH DAKOTA PUBLIC HIGHER EDUCATION  
TUITION RECIPROcity AGREEMENT**

**1. PARTIES**

The parties to this Agreement are the Minnesota Office of Higher Education and the North Dakota State Board of Higher.

**2. PURPOSES OF AGREEMENT**

The purposes of this Agreement are to continue to improve the post-secondary education advantages of residents of Minnesota and North Dakota through greater availability and accessibility of post-secondary education opportunities and to achieve improved effectiveness and economy in meeting the post-secondary education needs of those residents through cooperative planning and effort by the two neighboring states.

It is intended that the opportunity to enter a public post-secondary institution in the neighboring state will be dependent upon the availability of space in the particular program to which the student applies, as determined by each campus. A student whose reciprocity application is approved by the appropriate agency in the student's state of residence will be accommodated in a public institution in the neighboring state if the student meets admission requirements applied to residents of the neighboring state and if space is available in the program to which the student applies, except for those specific programs noted in Section 4 of the agreement.

**3. TERM**

This agreement is to be effective beginning with the 2013-14 academic year. The agreement is ongoing and will be reviewed annually and may be modified at any time upon mutual agreement of the parties.

**4. SCOPE OF AGREEMENT**

**Students.** A resident for tuition purposes in Minnesota or North Dakota shall be defined by the laws and regulations of the state of legal residency. Residents for tuition purposes in either state are eligible for admission to a public post-secondary institution in the other state on the same basis as residents of that other state, except as noted below. Students enrolled in courses or programs that do not charge a nonresident tuition rate but charge a tuition rate other than the resident rate to all students enrolled in a course or program are not covered by this agreement.

Subject to available space, students from one state shall be admitted to programs in the other state if they meet the admission and performance requirements applied to students in the other state, except for the following academic programs:

- North Dakota State University Doctor of Pharmacy
- University of North Dakota Doctor of Medicine
- University of North Dakota Juris Doctorate
- University of Minnesota Juris Doctorate
- University of Minnesota Doctor of Medicine
- University of Minnesota Doctor of Pharmacy

University of Minnesota Doctor of Veterinary Medicine (beyond five guaranteed new freshmen slots per year, up to a total of 20 for four classes, for qualified applicants)

University of Minnesota Doctor of Dentistry (beyond ten guaranteed new freshmen slots per year, up to a total of 40 for four classes, for qualified applicants)

Both parties to this agreement have the authority to limit the number of reciprocity students admitted to Occupation and Physical Therapy programs in their respective states based on mutually agreed upon limits described in the annual administrative memorandum.

The North Dakota University System retains the right to submit recommendations to the University of Minnesota on the selection of North Dakota applicants for admission to veterinary medicine and dentistry,

All forms of financial aid provided by an institution shall be available to qualified students from either state, except aid programs supported by funds for which eligibility is lawfully restricted.

**(a) Institutions and Programs.** This Agreement applies to all public post-secondary institutions in Minnesota and North Dakota. An institution in one state may not offer a program in the other state without prior approval of the administering agency or agencies in the other state.

## 5. TUITION

Beginning in the fall 2013, reciprocity students attending NDUS institutions generally pay 112% of the ND resident rate at the undergraduate level and 127% of the ND resident rate at the graduate level, which varies by type of institution (e.g. doctoral, two-year, etc.). The NDUS, with the mutual agreement of MN, reserves the right to increase to 115% undergraduate and 130% graduate over a period not to exceed three years, as necessary. ND students attending MN institutions pay the higher of MN resident rate for the type of campus attended.

### **North Dakota residents attending Minnesota campuses will pay the following tuition rates:**

- North Dakota residents attending the University of Minnesota campuses will pay the University of Minnesota resident rate at the campus attended based on the program of instruction, except for pharmacy, law, medicine, veterinary medicine and dentistry. Students will pay the rate established by Minnesota for pharmacy, law and medicine. For up to five slots per year in veterinary medicine, the state of North Dakota and/or the student will pay 75% of the professional program non-resident tuition rate and for up to 10 slots per year in dentistry the state of North Dakota and/or the student will pay 100% of the professional program non-resident tuition rate.
- North Dakota residents attending Minnesota State University System campuses will pay the higher of the Minnesota State University System resident rate or the average

University of North Dakota/North Dakota State University resident rate based on the program of instruction.

- North Dakota students attending Minnesota’s two-year campuses will pay the higher of the Minnesota Community College or Minnesota Technical College resident rate at the campus attended or the North Dakota two-year resident rate.

**Minnesota residents attending North Dakota campuses will pay the following tuition rates:**

- In the fall 2013, Minnesota students attending NDUS institutions will pay 112% of the North Dakota resident undergraduate rate and 127% of the North Dakota resident graduate rate based on the program of instruction, with potential increases to 115% and 130% respectively. The following exceptions apply:
  - Undergraduate and graduate reciprocity rates for Minnesota students attending Minot State shall not exceed the tuition charged to non-residents from other states through the fall 2014 semester. All newly admitted students beginning in the Spring 2015 and thereafter will be assessed the agreed-upon surcharge.
  - The reciprocity rate for Minnesota students attending Lake Region State shall not exceed the tuition charged to non-residents from other states through the summer 2015 semester. Beginning in the Fall 2015 and thereafter students will be assessed the standard agreed-upon surcharge.
  - The reciprocity rate for Minnesota students attending UND and NDSU’s joint Master’s in Public Health program shall not exceed 110% of the ND resident rate in fall 2013, 120% in fall 2014 and the agreed upon surcharge thereafter.
- Minnesota students attending the University of North Dakota Physical Therapy and Occupational Therapy programs will pay the University of North Dakota resident rate.
- Minnesota students attending the University of North Dakota in medicine will pay the rate set by the University of North Dakota.
- Minnesota students attending the University of North Dakota in law will pay the rate set by the University of North Dakota.
- Minnesota students attending North Dakota State University in pharmacy will pay the rate set by North Dakota State University.

**6. TUITION RECIPROcity REIMBURSEMENT**

The state receiving the lesser number of students shall pay the state receiving the greater number of students from the other state a tuition reciprocity reimbursement. The payment shall be based on a marginal expenditure calculation as follows:

$$\begin{array}{r} \text{Operational Expenditure per FTE}^1 \\ \times \text{Marginal Expenditure Rate} \\ \hline = \text{Marginal Expenditure per FTE} \\ - \text{Resident Tuition Rate} \\ \hline \end{array}$$

- = Remaining Marginal Expenditures per FTE
- x GAP FTE (Difference in state flow of students)
- = Gross State Obligation
- Student Payment (Total Tuition Payment in Excess of Resident Tuition)
- = Net State Obligation

<sup>1</sup>Excludes costs of programs exempted under the agreement and others noted in the annual memo of understanding

**7. ADMINISTRATION**

The chief executive officers of the parties to this Agreement shall prepare and execute an Administrative Memorandum of Understanding concurrent with this Agreement. The Memorandum shall include provision relating to actual reciprocity tuition rates during 2013-14 and thereafter, marginal expenditure rates, payment schedules and other provisions designed to effectuate the purpose of this Agreement. The Memorandum shall be reviewed at least annually and modified as necessary.

**8. ADMISSION, PROMOTION AND RECRUITMENT**

The parties expect that the institutions governed by this Agreement will follow the Statement of Principles of Good Practice, adopted by the National Association of Secondary Schools and College Admissions Officers, and the recommended guidelines for institutions adopted by the Minnesota Office of Higher Education and the ND State Board of Higher Education, as appropriate codes of conduct for representatives of public institutions involved in admissions, promotion, and students recruitment in a neighboring state.

**MINNESOTA OFFICE OF HIGHER EDUCATION:**

Date: \_\_\_\_\_

\_\_\_\_\_  
Lawrence J. Pogemiller, Commissioner

**NORTH DAKOTA STATE BOARD OF HIGHER EDUCATION:**

Date: \_\_\_\_\_

\_\_\_\_\_  
Larry Skogen, Acting Chancellor