**Minutes of the Faculty Senate Meeting with Regent President Krogman**

**and Executive Director Warner**

December 2, 2014

Bump Lounge Surbeck

**Attendees**: Dr. Paul Turman, Drs. Rod Rice, Marius Ellingsen, Mengyu Qiao, Zhengtao Zhu, Pat Gilcrease, Tim Masterlark, Robert Corey, Frank Van Nuys, Richard Sinden, Stan Howard

**Purpose**: Director Warner and President Krogman outlined the Governor’s recommended budget for Higher Education and discussed it with the Senate.

**Budget Highlights**:

1. *2015 funding*: Higher Ed will not be as well-funded as previous years, mostly due to decrease of one-time monies.
2. *Salary increase*: Two percent was recommended, a figure less than what the BoR requested.
3. *Budget process*: According to Dr. Warner, the BoR gives the budget to the Governor, the Governor recommends his budget to the Appropriations Committee, and then to Legislature for approval of final budget.
4. *BoR priorities*: The BoR’s first priority was another tuition freeze for in-state students, which was not recommended by the Governor, although an increase to the state’s Opportunity Scholarship fund was recommended.
5. *Operating revenues*: Ten years ago, the state provided about 59% of the operating revenues for its universities, but the number is now about 40%. Remaining revenues come primarily from tuition and fees, and the BoR is working to rectify this balance as much as possible.
6. *Maintenance and repair*: The current budget is up about $2 Million and the BoR has plans for using this money.
7. *Utility adjustment*: An increased baseline utility budget was recommended.
8. *STEM Research*: The $3 million Equipment Fund was not recommended this year.
9. *Gear Center Expansion*: the $7 million Sioux Falls Gear Center expansion was not recommended.
10. *Industry Matching Research Fund*: Not recommended, although this may be a future fund proposal.
11. *Director of Student Preparation*: A system-wide position has been considered.

**Questions and Answers**:

1. What is the current climate in the legislature regarding teacher retention and salaries both at the K-12 and University level?

 New resources towards salary and retention are scarce. No significant changes are on the horizon.

1. For certain professional credentials (particularly the FE and PE exams), young faculty, especially those from non-US schools are lacking required basic coursework (Humanities and Social Science courses for the FE exam). How do the BoR representatives present feel about reduced costs for faculty wanting to acquire these credentials by taking undergraduate courses within the state university system?

For high school students, a dual credit model is generally followed. For taking an offered class without increasing need for system resources, the student pays $40 per credit hour and the institution is credited with an additional $105 per credit hour as lower marginal costs are incurred. Something similar would likely be acceptable, so a proposed cost modification proposal should be sent to the BoR for approval. NOTE: After the meeting Dr. Turman brought attention to state law which allows faculty and staff to take course for half the tuition costs

**Capital Plan**:

1. A 10-year Capital (and campus Infrastructure) Plan will be presented to the legislature, the first in 2-3 years.
2. The plan is based primarily on the Higher Education Fund (HEF), which accounts for 20% of tuition.
3. The HEF money often needs to be matched by private contributions.
4. The 2014 bond issue was originally designated for a new Research Building, but was recently changed to a remodeling and update of the Chemistry Building. Another bond issue is slated for 2020.
5. Maintenance and Repair Money is approximately $2 Million for all campuses, and each campus prioritizes its individual needs.

**SDSM&T Budget**:

1. Quite predictable
2. The State share of the 2% raise only covers funds paid out of state general revenues, not the salary shares paid from tuition and fees.
3. Tuition increases also include non-personnel inflation.

**Questions**:

1. What is the BoR’s vision for the future?

President Krogman: The vision is based on mission statements, but can go beyond this as opportunities arise.

Director Warner: General goals include four to six main areas and the BoR sets general policy while the campuses define specifics. Thus, institutions can guide their destiny within a specified context set by the BoR.

1. While we are judged at partially on retention, this can adversely affect academic quality. How is this being handled by the BoR?

The BoR has focused on retention and academic quality. One important idea is to better support struggling students. The BoR makes a placement report and record of wages. As well, cohort graduation rates are well-tracked, including graduation data for those leaving the state system. Currently, 73% of all incoming students graduate, 33% out of the state system.

The BoR is considering implementing a policy that will limit the number of student course withdrawals to six.

**Research**:

1. The State is putting $4 Million into SURF.
2. The State is also interesting in investigating the possibility of adding a research park similar to the Gear Center in Rapid City.