Administrative Affairs Council Minutes
January 8, 2008
Conference Call – 3 p.m.

Participants
Dave Clark – BSC
Alvin Binstock and Mark Lowe – DSU
Corry Kenner – LRSC
Steve Bensen – MaSU
Ron Dorn and Jonelle Watson – MiSU
Jim Borkowski – MiSU-BC
Mike Renk – NDSCS
John Adams, Karla Mongeon-Stewart, and Evelyn Sova – NDSU
Bob Gallager, Peggy Lucke, Margaret Myers, and Jason Uhlir – UND
Trudy Collins – VCSU
Brenda Wigness - WSC
Laura Glatt, Randall Thursby, Cathy McDonald, Darci Trenda, and Deanna Dailey – NDUS

Further discussion on 2009-11 budget priorities and process (to include emergency preparedness information)
Ms. McDonald began by saying she’s nearly completed updating peer data from Integrated Postsecondary Education Data System (IPEDS), including FY2006 tuition and fees, state and local appropriations and 2005 fall enrollments. She still needs data for University of Delaware (NDSU peer) and University of Pittsburgh-Main Campus (UND peer). According to Mr. Adams, the University of Delaware gets such a small amount of state support that now they consider themselves to be a private institution. Ms McDonald indicated that UND had reported a similar situation with the University of Pittsburgh-Main Campus, so she'll follow up on data for those campuses. She also indicated that she sent an email to all NDSU peers to request FY2006 data for ag extension and experiment appropriations and has received responses from half. Responses will be needed from all in order to update NDSU's peer data. She will continue to pursue this data.

Ms. Glatt reported that on January 7, 2008, the cabinet members had a discussion on the NDUS biennial budget priority needs and other high level issues. The four items discussed with them, along with the cabinet’s recommendations, are as follows:

1. The number and types of budget requests to submit – Ms. Glatt said that the Cabinet consensus was to submit one budget request. The Chancellor indicated his support as well. Given the current state budget status, Dr. Vickers suggested the NDUS prepare a budget that is different than ever before, one that highlights the state’s overall economy and the system’s role in it. He also suggested the creation of a coalition involving representatives from higher education, business, the SBHE, and the media to talk about the value of higher education. The cabinet encouraged the chancellor to involve the governor and other leaders early in the budget process, even before the Governor releases his budget guidelines.
2. The overall level of the NDUS general fund budget request – Ms. Glatt said she would anticipate three categories of funding requests: base funding, one-time funding and capital projects.

The chancellor indicated he was not comfortable setting the dollar amount of the request yet, as additional research and information is needed. However, given the level of state resources, the Cabinet members suggested an aggressive budget request to address funding needs as well as to help control the level of tuition rate increases.

3. Tuition rate increases – Ms. Glatt pointed out that even though tuition is not factored into the budget request, the two issues are interrelated.

The cabinet recommended the NDUS submit a fairly aggressive budget request and indicate that if we get the funding required, the institutions can substantially limit tuition increases. Ms. Glatt said the budget model currently used by the system does require that students pickup a portion of the parity and equity costs. However, the student share, at some or all campuses, could be shifted to the state, to re-balance the state/student shares and bring them closer in alignment with the LTF plan goals.

Although no decision was reached on this issue, the presidents suggested it is important to maintain maximum flexibility with regard to setting tuition and fee rates.

4. High-level Funding Priorities – Ms. Glatt referred to the summary cabinet 2009-11 budget priority survey responses for discussion but said she understands that individual campus needs and priorities cannot also be overlooked. Ms. Glatt explained this list is not meant to include all of the budget priorities that will be considered, but only as a place to start.

The cabinet discussed the cabinet 2009-11 budget priority survey responses, particularly those that were identified as the top six:

- Parity (faculty and staff salary increases, health insurance, operating inflation, utilities)
- Catch-up raise for all employees
- Academic startup pool
- Pool of funds for paying off performance contracts and energy improvement bonds
- Campus infrastructure upgrades
- Deferred maintenance

Chancellor Goetz said he would like to see the following included as priorities:

a. Raises for employees – In addition to the standard annual increase, consider asking for a pool of money to be distributed among those faculty and staff positions having the most significant market variances.

b. Full funding of health insurance for all NDUS employees.

c. Increasing retirement contributions for long-term employees. Ms. Glatt said this request emerged from the CCF at least one year ago and was discussed with the cabinet at that
time. The cabinet determined, at that time, it was more appropriate to fund salary increases rather than additional retirement contributions.

d. Adequate funding for utilities.

The survey originally included 28 budget priority options. Since it was distributed, at least two other sources have provided a list of other items. She said she will add these and other suggestions to the list and re-send to the Cabinet. In response to a question, she said she does not anticipate sending out another survey asking Cabinet members to re-rank the revised list. She would expect priorities to emerge through additional Cabinet conversation and individual meetings.

Ms. Glatt asked for questions, comments and/or suggestions from the group regarding these and other issues.

Mr. Renk asked that an additional attorney be requested for the system office, adding that Mr. Seaworth doesn’t have time to deal with his employee issues in addition to all of his other duties.

Mr. Gallager said he agrees with the development of only one budget proposal. He also referred to the positive financial situation of the state and agreed that the System needs to engage the Governor’s Office early in the process.

Ms. Glatt reported on two pending ballot measures and the related potential impact to the state and NDUS.

Ms. McDonald discussed the development of a budget proposal for campus security/emergency preparedness. She asked about support for the addition of regional coordinators perhaps in lieu of new positions at every campus. Mr. Gallager and Ms. Collins said this may be a good alternative. Mr. Uhlir expressed his belief that having the campus security hubs at the larger campuses and making them available to assist the smaller ones is a good idea. It was pointed out by Mr. Adams that funding for expenses such as equipment and maintenance are also needed.

Mr. Binstock said he foresees the need for additional staff in order to implement and maintain an emergency notification system at DSU.

It was recognized that the level and type of activities, and therefore, the costs will vary significantly by campus. Ms. Glatt indicated the NDUS Office would send out a document to gather comprehensive cost information which may be used in a budget proposal.

Proposed 14% rate increase before the North Dakota PSC from Xcel Energy (definitely affects NDSU, and possibly Minot State, UND and Mayville State)

Mr. Adams wanted to make sure that everyone is aware of the proposed 14% rate increase requested by Xcel Energy. Ms. Glatt reminded the group to include those numbers in the spreadsheet recently distributed by Ms. McDonald.
Emergency Notification Systems Update
Ms. Glatt said the Emergency Notification Systems Committee will meet on January 9, 2008. Prior to the holiday break, Ms. Glatt indicated there had been an intent to make a decision on the NDUS use of NotiFind. Since that time, NotiFind has granted a deadline extension by providing an alternative pricing structure based on contract term and timeline.

The committee will also be considering an emergency notification draft policy and procedure at their January 9, 2008, meeting. It was the consensus of the committee that they continue to work to develop a procedural template which could be tailored for each campus use. Ms. Glatt said she would keep the Council up-to-date on the work of the committee.

Technology Update
Mr. Thursby said the Campus Solutions upgrade is continuing on schedule and within budget.

Mr. Thursby said he is continuing to work the state of North Dakota planners to finalize the joint finance upgrade plan. They continue to move forward with this very ambitious effort and hope to complete the finance upgrade by end of April 2008. If they do not meet this goal, Mr. Thursby said any further activity will have to be put on hold until the campus solutions student upgrade is complete. Ms. Glatt said the state would prefer not to postpone work on the finance upgrade, and therefore, it will be very important that the project plan be closely monitored to ensure it remains on schedule. Mr. Thursby said there has been the right level of individuals involved with the project thus far, and every effort will be made to make the deadline without sacrificing the system.

Mr. Thursby said the interim Information Technology committee will meet in Fargo next week. One item that he intends to discuss with them is the increase in bandwidth between campuses. According to Mr. Thursby, the NDUS bandwidth is increasing at 50% per year. Nationally, the rate is at 100%. He said the primary driver of the increase is the video capability that is being used in the classroom. For example, high definition video-conferencing uses four times the bandwidth of standard video-conferencing.

Mr. Thursby reported that the virus protection and anti-spyware software contracts recently signed. The IT staff renegotiated and expanded the coverage with the vendor in this new agreement.

UND and VCSU have contracted with Ruckus Music Service to eliminate illegal peer-to-peer music sharing. Mr. Thursby said the only downside with this program is that the music can only be played on PC’s and cannot be burned to CD or MP3 players. However, this step shows the industry that NDUS is doing something about the issue of music piracy. Mr. Thursby added he is looking at contracting with Ruckus to add a dedicated server for their program, thus reducing the stress on our current server. Expanded use to the other campuses will continue to be explored.

Other
Ms. Glatt reminded the council that the next cabinet meeting is scheduled for February 6, 2008, at which time, the cabinet will consider the budget scenarios prepared for the system. Ms. Glatt
suggested the Administrative Affairs Council meet again to review those scenarios prior to the February 6, 2008, cabinet meeting. This meeting was scheduled for January 30, 2008, from 3-5:00 p.m. via conference call. Details will be distributed in the near future.

Ms. McDonald said the cabinet will also be reviewing the 2009-09 annual budget guidelines at the February 6, 2008, meeting. Ms. McDonald said she will distribute the draft guidelines to the Administrative Affairs Council members prior to the cabinet meeting.

Meeting adjourned at 4:51 p.m.

**Future Meeting Dates**

January 30, 2008
February 12, 2008
March 11, 2008
March 25, 2008
April 8, 2008
May 6, 2008
June 10, 2008
July 22-23, 2008
September 9, 2008
October 14, 2008
November 13, 2008
December 9, 2008