Values used on facilities worksheets
Ms. McDonald said she’s only received three responses to her inquiry regarding the insured values used by campuses on their facilities worksheets. It was agreed that each campus would use their current insured values.

Biennial Budget Discussion
Ms. Glatt said she intends to briefly review the 2009-11 biennial budget request line-by-line, including base funding and one-time funding increases, and will answer questions as they come up. She asked that along with the cover sheet, participants also refer to the attached narrative, which describes each priority in more detail.

Mr. Adams asked about the Forest Service’s budget proposal. Ms. Glatt explained the budget requests for the Forest Service, SBARE, UPGI and UND’s School of Medicine will be handled separately and are not ready for inclusion yet.

Group discussion took place on the following issues:

Item #7 – Maintain student affordability/Enhance student affordability. This proposal recommends 15% allocated to equity distributed based on the previously approved SBHE allocation model. In the 2009-11 budget proposal, a $250,000 minimum is being recommended for each campus. Ms. Glatt explained this is an attempt to reflect the fixed cost of those smaller campuses. In response to Mr. Clark’s question, Ms. Glatt said a separate plan to review different ways to distribute funds to campuses where enrollment continues to grow is no longer being considered, as she believes the long-term finance plan addresses this issue. Mr. Renk suggested that language be included to the narrative for line #7 that states “the student share of parity would be funded through tuition rate increases.”
Mr. Renk expressed his concern about the NDUS promising to freeze tuition when there is no guarantee that the Legislature will fund 100 percent of the system’s request. Mr. Renk suggested that the budget request be revised to state that the institutions will limit, instead of freeze, tuition increases. Mr. Binstock said the figures assume that enrollment will be maintained at NDUS campuses and asked how this budget would address the issue of declining enrollment. Ms. Glatt agreed and said this is a concern which will need to be addressed.

Mr. Gallager asked Ms. Glatt to explain how the funds would be distributed, if funded at less than the requested level. Ms. Glatt replied that initiatives are listed in priority order.

Mr. Clark said he can’t support the equity distribution as outlined, as it does not adequately address the needs of the campuses with growing enrollments. Mr. Adams and Mr. Kenner agreed with Mr. Clark. Mr. Bensen expressed his concern about this compromising the purity of “equity.”

According to Mr. Binstock, many states are looking at ways to retain their high school students and attend college in their home state. He asked Ms. Glatt whether there has been any discussion on how we will compete with these initiatives. Ms. Glatt said she believes some legislators, and possibly the Governor, may have initiatives in this area.

Ms. Glatt informed the Administrative Affairs Council members that the budget proposal will be discussed with the Chancellor’s Cabinet on March 19, 2008. Their feedback will be considered when preparing the proposal. In addition, the Budget, Audit, and Finance Committee will discuss the proposal at the March 25, 2008, meeting, and ultimately be presented to the SBHE at their April 3, 2008, meeting.

Meeting adjourned at 4:39 p.m.

Future Meeting Dates
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