Administrative Affairs Council
September 12-13, 2006 at Devils Lake

Participants:
Dave Clark, Karla Stewart BSC
Corry Kenner, LRSC
Brenda Wigness, WSC
Robert Gallagher, Alice Brekke, Peggy Lucke and Margaret Myers, UND
John Adams, Broc Leitz, and Jean Ostrum-Blonigen, NDSU
Keith Johnson, NDSCS
Alvin Binstock, Mark Lowe, DSU
Ron Dorn, MiSU
Bill Ament, VCSU
Jim Borkowski, MiSU-BC
Cathy McDonald and Laura Glatt, NDUS

Technology Issues
Bonnie Neas and Randall Thursby updated the Council on several technology items. They are outlined below:

- IT strategic plan, including individual campus plans, have been submitted to ITD. Randall said that the campus plans appear to be acquisition plans as opposed to strategic plans. He said he will work to change this in the future.
- Along with Peggy Lucke, an update was provided on TouchNet. A contract is being negotiated for TouchNet to provide off-site hosting for credit card processing. The following reasons were provided in support of this alternative: 1.) reduce staff time committed to credit card processing; 2.) eliminate substantial security risk and exposure for the campus to potential security breach of credit card numbers; 3.) increasing merchant fees. Randall said that UND will implement in January 2007 as a pilot site and other campuses have the option of being added thereafter. Campuses interested in discussing this further or pursuing this option should contact Randall. A demo of the product will be provided at a future meeting.
- Due to some recent changes, there has been a 20-40% improvement in ODIN response time.
- An on-line scheduling service is being added to IVN.
- Higher education is examining the possibility of a data warehouse, in partnership with the state. There would be additional costs associated with a data warehouse that are not currently part of the CND budget.
- Randall said that in cooperation with the CIO’s and network coordinators, he will be looking at options for allocation of the current unallocated campus bandwidth. He reported there is currently an unallocated portion of bandwidth which he believes should be allocated for use since some campuses have maxed out on their current allocation. The unused allocation would be opened to all campuses, with use monitored to ensure appropriate uses. Since this will eliminate any buffer, additional increments of bandwidth can be purchased if necessary, the cost of
which would have to be allocated back to the campuses. He will bring a proposal back to a later meeting.

- There is legislation being considered by the interim IT Committee which would move responsibility for IT planning and management from ITD to the SBHE. He went on to say that the bill does not contain funding or staffing needed to fulfill the legislation.

- Alvin Binstock expressed ongoing frustration with the difficulty of contacting students because students are not regularly required to update their personal demographic data, including mailing address. Bonnie said she would follow up on this to better understand the issue and options.

- Bonnie reviewed the CND budget. She said that carryover funds are needed to support increased expenditure needs in future biennia. She also pointed out that since she has not been through a complete cycle and continues to sort out the budget, she is not certain whether the carryover dollars are one-time or base or a combination. As a result, she is not willing to commit the funding to additional base expenditures at this time. If the carryover is depleted, the System could face a student fee increase as soon as 2009. Using the carryover in future years could delay a student fee increase until possibly 2013. However, the budget scenario is based on a status quo operation and does not consider the additional needed positions, potential change to an Oracle database or other potential costs. She said she is currently supporting the request for an additional 11.5 new CND staff positions as follows: (1) HR/payroll, (1) finance, (2) student, (3.5) data center and (4.0) programmer/analysts.

- CND positions historically within the UND ITSS operations are being separated to create cleaner reporting relationships to CND.

- A health check, performed by Oracle, MicroSoft and another software vendor will proceed shortly, to help identify solutions to the ongoing performance issue. The state will be engaged with a similar process.

- Randall pointed out that the HR upgrade will be the easiest of the upgrades, followed by finance, which will be the next most difficult, with the student upgrade being about four times as difficult as finance.

- Bob asked whether other funding sources, outside of the student fee, and opportunities for reallocation are being explored. Bonnie said that all things are being considered but went on to say that there is not much opportunity for either, outside of state funding. Laura pointed out that the current resource constraints are exemplified by the 11.5 new positions that are being suggested.

- In response to a question on our current status, Randall said that different instances of the data base may be required in the future. He said we may also find Fusion to be too costly to operate in the future.

Legislative Agenda
Laura indicated the Chancellor would shortly be appointing a task force of the Cabinet to develop a legislative agenda and strategy. She asked for suggestions to be forwarded to that Task Force. Below is a summary of the comments:
- It will be important to fully fund salary increases at least at the same level as those provided to other state employees
- Stress that parity is not fully-funded in the budget request
- Measuring up report illustrates the lack of adequate needs-based financial aid
- Critical to fund the base operation of the campus, in addition to new initiatives
- Stress the increasing cost of education being passed along to the student and the need to reduce tuition rate increases
- All campuses must “be onboard” and supportive of the budget request if we are to have any chance of success

**Semi-Annual Budget Reporting**

Laura reported that the BFC spent considerable time reviewing deficit balances at their most recent meeting, as part of the semi-annual budget report. Based on the committee discussion, it was apparent that the BFC will more closely monitor the resolution of deficit funds in the future.

The Council reviewed the two options presented for the expansion of deficit disclosure. The expanded definition is intended to look at the accumulated balance of deficits, in addition to the current individual deficit balance reporting. Council members supported option #1, modified as follows:

- Individual deficit balances of $50,000 or more at all campuses, except UND and NDSU, and $100,000 or more at UND and NDSU;
- Cumulative balance and total number of funds with deficit balances of $25,000 or more at all campuses, except UND and NDSU and $50,000 or more at UND and NDSU.

In addition, a question was raised about the reporting methodology for tuition revenue variances. It was agreed that annual (as opposed to biennial) revenue shortfalls should be reported. In addition, campuses should generally indicate whether the variance is likely to continue into the second year of the biennium. The Council suggested written guidelines should be provided as part of the report distribution.

Laura said these recommendations would be forwarded to the BFC at their next meeting.

**Utilities Shortfall**

Laura provided an updated schedule outlining the utility shortfall, by campus, which will be used as the basis for the deficiency appropriation request. She said the BFC has already supported the request, but wanted to give the Council one more opportunity to review prior to SBHE approval. The figures are based on the information reported to the Legislative Council in July 2006. These were prepared using the calculation worksheet to ensure consistency in the base appropriation. She asked if there were any concerns or questions. None were expressed.

Corry briefed the Council on LRSC’s proposed wind energy project.
Minnesota Reciprocity Funds Allocation
Laura said that most recent estimates suggest that ND may collect $1.2 million this year from MN for the 05-06 academic year. It is difficult to know whether this will continue in future years and at what level.

The NDUS received similar payments under the agreement until 2001. At that time, the funding was allocated to the campuses, state grant and student financial assistance grant program. The portion allocated to the campuses was distributed to the various campuses based on the credit hours taken at each campus and tuition differentials.

Bob suggested that all the funding be allocated back to the campuses that enroll the MN students. NDSU concurred with this position. Alvin pointed out that these campuses are already receiving recognition for these students in the funding model. Bob said this would be true if they received full state funding; however, that has not happened. Alvin suggested that given the unstable nature of this funding source we should consider using it for one-time funding needs.

Laura said the System Office would develop options for allocation of the funds among the campuses and bring those to a future meeting of the Council.

Laura briefed the Council on the proposed “Free Minnesota Tuition Program” pointing out that a similar program in ND during the next biennium would cost approximately $10-12 million. That amount would continue to grow as additional cohorts of students are added to the program in future biennia.

Disability Plan Balance
This item was delayed until a future meeting due to Tamara’s absence from the meeting.

Laura asked if there were any recommended changes in the meeting calendar for the next year. It was agreed to continue to schedule meetings once a month, with the option of canceling meetings if they are not needed. Laura said she would send out a draft calendar.

Next meetings
October 10, 2006
November 14, 2006
December 12, 2006

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