Administrative Affairs Council Minutes
February 10, 2009 – 1:00 p.m.
Conference Call

Participants
Tamara Barber – BSC
Becky Lang – LRSC
Steve Bensen – MaSU
Jonelle Watson – MiSU
Jim Borkowski – MiSU-BC
Mike Renk – NDSCS
John Adams – NDSU
Peggy Lucke – UND
Trudy Collins – VCSU
Brenda Wigness – WSC
Laura Glatt, Cathy McDonald, Darci Trenda, Pat Seaworth and Deanna Dailey– NDUS Office

Two items were added to the agenda.
1) Mr. Renk said he’d like to know what is expected from campus representatives at the upcoming House hearings.
2) SBHE Policy 805.1 – Tuition for spouse/dependent of NDUS graduates (information distributed via e-mail on February 4, 2009).

Terminated Faculty Health Insurance
Ms. Glatt explained that on March 4, 2009, the cabinet will consider a proposed policy change on the provision of health insurance benefits over the summer for terminated faculty. She previously distributed a description of current campus practices, proposed policy change options, and the cost estimate of proposed policy change to the Academic Affairs, Administrative Affairs and the Human Resource Councils, asking them to forward their final recommendation to her by February 25.

The intent would be to move any proposed SBHE policy changes to the SBHE at their March meeting so that campuses have clear direction before they begin developing their annual budgets, and before the end of the current semester.

The original proposed policy change would have provided a “presumed” termination date, for health insurance purposes only, of July 2nd for 9-10 month faculty. This would provide for continued coverage for July and August under the current PERS rules.

On January 26, 2009, another option was distributed for each council’s consideration. This option set forth the DSU plan, under which faculty who provide notice of resignation by March 15 are entitled to a separation payment equal to two months’ state health plan premium payments, plus related taxes. This alternate proposal, like the original proposal, would cover faculty health insurance through August, and encourage early notice to the campus. In response
to a question from Ms. Glatt, Mr. Seaworth said it is his understanding that DSU pays employees the amount of the COBRA election, plus applicable taxes on that amount.

The group expressed several concerns about the DSU policy.

1) Creates an entitlement whereby faculty who leave the system would be given a cash payment, even if they take a job and are provided immediate health insurance coverage by their new employer.

2.) In response to a question from Ms. Barber, Ms. Glatt said the payment equal to two months of health insurance premiums is reported as severance pay. Ms. Lucke referred to SBHE Policy 707 – Severance Pay, and asked if the statement “the university system office may provide severance pay to an employee who is released due to a reduction in force” would prohibit the change in Policy 605.1. Mr. Seaworth replied that Section 6 of Policy 707 states “All actions under this policy must comply with N.D.C.C. 54-14-04.3. In accordance with that section, institutions or the system office may provide financial incentives to encourage an employee to retire or resign if the employee's departure will increase efficiencies or reduce expenses.” Since the reason for proposing the change to SBHE 605.1 is to encourage employees to give early notice of termination, the institution will benefit from having time to perform an adequate search for their replacement, thus increasing efficiencies.

3.) Ms. Lucke also said COBRA premiums are higher than the active member rate. The monthly premium COBRA (single plan) is $325 and for families, $779 per month, while the active members rate is $658 per month.

Mr. Adams inquired as to the status of the questions and concerns raised by the Academic Affairs Council regarding the original proposal. Those questions, as well as the discussion, are as follows:

- Concern with describing all faculty as "terminated" vs. resigned or some other term. Response: “Terminated” is just a term used throughout board policy, which refers to terminated employees and those who have resigned.

- The DSU process, which appeared to have AAC support, does not provide the resignation health benefit when the spouse remains employed by the campus (and retains health insurance coverage). Response: Agreed – Mr. Seaworth will add clarifying language to the proposed policy.

- DSU apparently provides resigning faculty with the choice of a cash payment or insurance. Some members strongly preferred avoiding the cash payment and only providing the continuing coverage. Response: This was also a concern expressed by some members of the Administrative Affairs Council.

- The DSU process includes the same health benefit to staff who resign, this should be considered. Response: DSU does not provide the same benefit to staff.

- The proposed policy assumes May termination. The council supported the same benefit whenever the termination occurred. Response: The Administrative Affairs Council opposes this suggestion, as they feel the health insurance extension/cash payment would then become just another benefit, without necessarily providing the anticipated outcome of early notice of termination.

- Several comments supported an "effective date" approach to the termination. Response: None required.
The council suggested reference to the first business day in July, rather than July 2 in paragraph 5. Response: In order to continue coverage during July and August, the employee must have been employed at least one full working day during the month. Ms. Collins (VCSU) moved to recommend the adoption of the original proposed policy change, a presumed termination date of July 2, thus allowing for the payment of two months health insurance for employees who terminate their employment with the NDUS). Ms. Lucke (UND) seconded the motion. BSC, LRSC, MaSU, MiSU, MiSU-BC, NDSCS, NDSU, UND, VCSU and WSC voted aye. DSU was absent. Motion carried.

**In-state Lodging Rates**

HB 1119, which would have permitted paying more than the in-state lodging rate if no state rate rooms are available, failed in the House. However, Ms. Glatt said there are at least two other bills lingering that would increase the in-state lodging rate from $55 to $60-65. Ms. Glatt said that in their testimony before the House Government and Veterans Affairs Committee, representatives from the Office of Management and Budget (OMB) pointed out that they do permit exceptions to the existing policy. In order to be considered, agencies must submit a written request to OMB for an exception for lodging reimbursement at the actual rate versus the currently allowed rate of $55. Ms. Glatt added that the auditors indicated they found instances of this in some agencies’ but they didn’t report it informally or formally, as the auditors didn’t feel it would be appropriate to ask employees to pay for work-related lodging out-of-pocket.

After some discussion, the Administrative Affairs Council agreed that members of the controller’s group discuss this with the auditors at their next meeting. Ms. Trenda will report back to this council following that discussion.

**SBHE Policy 805.1**

The chancellor has asked the Administrative Affairs Council to consider the definition of “dependent” under 805.1 as it relates to dependent/spouse of NDUS graduates. The policy states that in order to be considered a legal dependent by the NDUS, the child must be claimed as a dependent of the alum when filing income taxes. This could, and has resulted, in situations where in a divorce, a child of an alum may not be living with or claimed as a dependent on the alum’s income tax return, but on the other parent’s return.

Mr. Seaworth asked this group to consider whether they feel it would be appropriate to eliminate this restriction. As a result, all children of NDUS alumni, regardless of which parent claims them on their income taxes, would be provided the tuition reduction benefit (150% of resident tuition rate). There was some discussion about placing an age restriction on the benefit; however, it was agreed that this policy will actually only affect a few older-than-average students and may be helpful in helping to attract residents to the state of North Dakota.

Ms. Barber (BSC) moved to recommend SBHE Policy 805.1 be revised to state that all dependents, regardless of age and of which parent can claim them on their income taxes, be provided the reduced tuition benefit offered to children of NDUS alumni. Ms. Collins (VCSU) seconded the motion. BSC, LRSC, MaSU, MiSU, MiSU-BC, NDSCS, NDSU, UND, VCSU and WSC voted aye. DSU was absent. Motion carried.
Mr. Pytlik provided an update on the status of the roll-out of e-apps in the ConnectND Human Resource module. They will continue to look for ways to sync the log-in process for student employees, as well as how to have consistency in the address format across the entire NDUS. All institutions should be converted by the end of April 2009, according to Mr. Thursby. In response to a question from Ms. Collins, Mr. Pytlik confirmed that the Notifind system uses the employee self-service applications as its datasource.

Mr. Pytlik said they have hired two additional programmer analysts and they continue to make progress in filling the outstanding positions.

Mr. Thursby reported that the Ruckus music-sharing system has shut down as of last weekend. The NDUS, along with many other institutions across the country, will need to find other ways to meet their requirement of implementing ways to reduce/eliminate illegal downloading and peer-to-peer music sharing between students as required under the recently adopted Higher Education Reauthorization Act.

Ms. Glatt said the tracking list, which was included in the agenda packet, may not contain up-to-the-minute action on each bill, is still a good source of information about legislation currently being tracked by the system office.

Mr. Seaworth said the Government and Veterans Affairs Committee is considering some amendments to HB1348, which would permit concealed weapon licensees to carry at public events, excluding those on K-12 property. Those will exclude college and university campuses from the bill, keep the current prohibition except to add language that people with hunting weapons would could keep those weapons in student apartments, but not in dormitories. The same prohibition would apply to concealed weapons. Mr. Seaworth said it’s not clear to him at this point how those restrictions will be enforced, given the blending of student apartments and dorms. He encouraged anyone with questions to contact their local representatives soon, as it is likely that action will be taken on this bill by the end of this week (February 13).

Ms. Glatt said the NDUS appropriation bill (SB2003), has not yet been acted on, nor has the system office been notified on the House side of the timeline or structure of the appropriation hearings. She added that as soon as we receive any updates on this legislation, it will be passed along to the group.

Ms. Glatt added it appears that the Legislature is attempting to reduce agency budgets, stating their concern about the national economic trend eventually reaching the state of North Dakota. In addition, the federal stimulus package has yet to be finalized, and this package will impact how our legislature appropriates state funds. Ms. Glatt said Congress is supposed to have something in front of the president by February 16, 2009, and added that if this is not cleared up before the end of the 2009 Legislative Session, she expects they’ll save some of their days and call a special session when the information is made available.

Meeting adjourned at 2:25.
Future Meetings
March 10, 2009
April 7, 2009
May 12, 2009
July 21-22, 2009 retreat
September 9, 2009
October 13, 2009
November 10, 2009
December 8, 2009