Administrative Affairs Council Minutes  
September 7, 2010 – 10:00 a.m.  
BSC Energy Center Conference Room 335

Participants
Dave Clark and Tamara Barber – BSC
Alvin Binstock and Mark Lowe – DSU (participated by telephone)
Corry Kenner – LRSC
Steve Bensen – MaSU
Brian Foisy and Jonelle Watson – MiSU
Jim Borkowski – DCB (participated by telephone)
Mike Renk and Keith Johnson – NDSCS
Bruce Bollinger, Karin Hegstad and Cindy Rott – NDSU (participated by telephone)
Alice Brekke (in person), Peggy Lucke, Sharon Loiland, Cindy Fetsch, Jennifer Dobrowski, Rick Tonder, Larry Zitzow and Dawn Pladson (participated via telephone) – UND
Trudy Collins – VCSU
Justin Maddison – WSC
Laura Glatt, Cathy McDonald, Robin Putnam, Randall Thursby, Mick Pytlik, Pat Seaworth and Deanna Dailey – NDUS Office

Ms. Glatt announced that agenda item #4, SBHE Policy 505-International Student Health Insurance would not be discussed today, as the proposed changes are not yet ready for discussion.

SBHE policy 1901.3-IT Project Management – Proposed Changes
Mr. Thursby provided a history on the development of the proposed changes to this policy. SBHE Policy 1901.3 states “Administrative IT projects less than $250,000 or any research and academic IT projects must have NDUS CIO approval if the IT project interfaces to a major system hosted by the NDUS (ConnectND, ODIN, etc.), impacts the NDUS communications network, and/or has impact on NDUS resources (staffing, systems, etc.). The policy adds clarification of the interface systems that are of concern. Mr. Thursby said one main objective of the revisions is to help create discussion between the campus CIO’s and the SITS office. The proposed policy also requires institutions to develop institutional guidelines for IT acquisitions and approvals.

There were no concerns expressed by Council members of the proposed changes. Mr. Thursby said the proposed changes to SBHE Policy 1901.3 were discussed with Cabinet on September 1st and according to Mr. Thursby, no objections were offered. Chancellor Goetz has final authority regarding the approval of these changes.

Discuss & Identify Opportunities for Administrative Efficiencies
Ms. Glatt said one of the chancellor’s current objectives is to identify opportunities for efficiencies within the NDUS. Ms. Glatt asked the group for any suggestions they might have in this regard, whether it be a new idea or something that a campus is doing that could be shared with the others. Suggestions included:
• Payroll. Much improvement has been made recently. Is there anything else that could be done?
• Purchasing procedures (p-cards, electronic access).
• Imaging & workflow procedures.

Mr. Thursby said having consistent, system-wide processes or procedures will have a positive impact on ConnectND, particularly as it relates to payroll and human resource systems. He added that at this time, his office is in the process of implementing/installing SharePoint, as well as common e-mail and calendaring programs.

There was discussion regarding systems that have been implemented; however, they are not being used to their full capabilities. FAMIS was one example. Mr. Pytlik cautioned that depending upon the size or complexity of a campus, it may end up being “overkill” at this time to use FAMIS at full capacity.

Ms. Brekke expressed her concerns about responding to this question without first discussing it with her staff. Mr. Clark added that not knowing how a consolidation or service currently being provided at campus level would be implemented it could negatively impact student service and was a concern for him.

Ms. Glatt will prepare a list of issues identified at this meeting, along with others, and send it to the business officers, who can then discuss them with their staff. Eventually, this group will be asked to prioritize this list to determine priorities for review and discussion.

Clarification on Late Fees, Payment Plans
There was some discussion regarding payment plans and the assessment of late fees. When asked if there are any NDUS policies or procedures that state how institutions are to handle these, Mr. Seaworth replied there is not. Mr. Seaworth said the assessment of late fees is dictated by federal law and regulations, specifically the “Truth in Lending Act.” He explained that in order to be considered a repayment plan subject to Truth in Lending agreements, there must be more than four installments in the plan. Mr. Seaworth said if an NDUS procedure were to be drafted regarding this matter, it would include a link to the federal Truth in Lending Act, which includes all the necessary forms and information.

Mary Eisenbraun, BSC joined the discussion at this point and explained the difficulty with students who default on their payment plan but still sign up for classes the next term; however, there are no ‘flags’ on their account at the time of registration so they enrolled for more classes even before they pay a previous outstanding balance. Mr. Seaworth asked that individuals with specific scenarios e-mail him outlining the situation and he will try to provide some direction. Mary said she will discuss this with her counterparts throughout the system and provide Mr. Seaworth with their concerns.

Mr. Seaworth agreed to draft a summary a procedure outlining the requirements.

SBHE Policy 805.1-Tuition – Proposed changes
Ms. Glatt reviewed the changes made to SBHE Policy 850.1 – Tuition. She said there had been a number of questions regarding paragraph #3 and the workforce training language. It was agreed to revise the paragraph as such:

*Effective no later than July 1, 2011, all tuition revenues and expenditures of those revenues generated from credit classes or activities, including academic credit classes or academic activities offered in continuing education, work force training and other programs, must be accounted for and budgeted as institutional collections, as part of appropriated fund sources.*

In addition, it was agreed that the last phrase of paragraph #3 should be revised to read “as part of general ledger appropriated fund sources” for clarity.

Discussion took place regarding continuing ed or other credits which don’t count toward a degree and as such, it is not necessary to account for and budget for those credits as an institutional collection. It was agreed that Ms. Glatt with visit with Dr. Hillman to determine how the academic section defines an academic credit.

Ms. Glatt said she will distribute a revised draft after she’s had a chance to meet with Dr. Hillman.

Brian Foisy suggested it may be helpful to have a matrix that ties enrollment reporting to revenue classification. This may help sharpen the policy.

**SBHE Policy 902.12-Campus Building Names – Proposed changes**

Mr. Seaworth said the revisions made to SBHE Policy 902.12 are intended to clarify what the SBHE’s authority is with regard to naming campus buildings, additions, auditoriums, stadiums, class rooms, lecture halls, etc. The Cabinet will review these changes at their meeting on October 20, 2010.

**SBHE 803.1-Purchasing Procedures-Proposed Changes**

Ms. Glatt said the proposed changes to SBHE Policy 803.1 were prompted by recent audit findings & recommendations related to sole source purchases. Although the examples cited by the State Auditors’ Office (SAO) related to public improvement bids and the specification of materials, which are exempt from the sole source policy, they have indicated that there are several other non-improvement examples. The policy has been revised to clarify the exclusion of public improvements, and also, provide additional guidance for determining whether something is legitimately a sole source purchase. Ms. Glatt asked Mr. Seaworth to determine whether the Century Code referred to in paragraph #2 (NDCC 54-44.4-02) is still accurate, as she has been told that may have been moved. He agreed to do so.

The proposed changes will be presented to the Cabinet on October 20, 2010, after which the Board will be asked to review and approve them, as well.
SBHE Policy 302.7-Budget, Audit and Finance Committee
Ms. Glatt said this policy has been revised to update the existing roles and responsibilities of the BAFC to include the internal audit responsibility. She read through the changes to Section 3(f) and (g) (i) (j) and (l).

Mr. Foisy suggested adding language to Section 3(f) to clarify the type of audit that must be performed, so as not to create the expectation that all campuses, including those that do not have internal audit staff, would be required to complete an annual audit plan. Ms. Collins suggested adding the word “any” before “institution-specific” in the first sentence. Ms. Glatt indicated she would make the change.

SBHE 802.8
Ms. Glatt explained that the most significant revision to the newly-drafted SBHE Policy 802.8 is the new reporting relationship of the NDUS internal auditors, which is defined in Section 4.

These two policies were reviewed with the Cabinet at their September 1 meeting. Ms. Glatt said that both UND and NDSU presidents raised significant concerns regarding the proposed reporting relationships.

The BAFC will make the final decision regarding the reporting relationship. When Ms. Glatt asked for questions or concerns about this issue, none were expressed.

Proposed Legislation
Mr. Seaworth referred to the email he sent on Friday, August 13, which provided corrected deadlines for legislative bill drafts. Mr. Seaworth said the deadline for submitting proposed legislation to him is October 10, 2010. The Cabinet will review the proposed drafts at their meeting on October 20, 2010. Finally, the SBHE will consider the proposed legislation at their November 4, 2010, meeting.

In response to a question from Ms. Glatt, Mr. Seaworth said he is aware of several possible pieces of legislation that will affect the NDUS:

1. Student driver insurance coverage under the state risk fund, pre-filed by either OMB or NDUS.
2. Team meal expenses.

Mr. Seaworth concluded by reminding the group that if they have any suggestions, please be mindful of the deadlines outlined in his memo.

Discuss Capital Projects Policy review and Definitions
A subcommittee has been created to review the draft capital project policies. Ms. Glatt said it is hoped that by the end of 2010, the policy revisions will be complete. She added that she expects to see a follow-up audit of this issue and it would be helpful if we could demonstrate progress at that time.
Ms. Glatt said the committee hopes to develop a flow chart outlining the capital project process. Everyone agreed that this will be a useful document.

**Discuss Tuition Model Study and Related Policy Issues**
Ms. Glatt reviewed the NDUS 2010 Tuition Model Study Process and Timeline. She said one of the more significant changes made is that the timeline for completion of the study has been pushed back until spring 2011, due to the number of unforeseen projects coming up.

Ms. Glatt said she intends to send the Council a template for completion outlining each of the various models. She asked everyone to be mindful of their individual tuition structure when completing these worksheets. Ms. Glatt will send these templates, with instructions, to the business officers on or around September 10. Ms. Glatt said that Mr. Lowe has reviewed the templates and added the names of some of the reports which may be helpful when completing the worksheets.

**Update on Audit Recommendation Status**
Ms. Putnam reviewed the status of each of the audit recommendations. Ms. Glatt asked if there are any recommendations which are not making adequate progress. No issues were identified. Ms. Putnam added that most of the formal recommendations are either in place or in progress.

Ms. Collins said they are already getting questions on whether background checks of student employees serving as residence assistants (RA) and lifeguards are required. Mr. Seaworth said the current policies actually do require background checks on RA’s.

Overall, Ms. Putnam said the System is on target for implementation of recommended changes.

**Review Risk Assessment, Internal Audit Plan and Related Assessment Models**
Ms. Glatt announced that an RFP for a risk assessment of the NDUS was issued. Eight entities responded; of those, seven were qualified and were given further consideration. Tamara Barber-BSC, Peggy Lucke-UND, Laura Glatt, Eric Miller-NDSU, and Todd Ternes-State Procurement served on the committee that evaluated the proposals. Technical scores were prepared before the cost was revealed to the committee members. The cost has a 40% weight on the scoring process. Ms. Glatt said the top scoring firm has been identified and a conference call has been scheduled for Wednesday, September 8, to be sure they will be able to perform the work effectively. Following selection of the firm, campuses will be asked whether they would like to participate in the process.

Ms. Glatt said the application date for the Internal Audit Director position is September 15, 2010.

**Review Administrative Affairs Council Code of Ethics**
Ms. Glatt indicated that the Administrative Affairs Council Code of Ethics is posted on our website and must be reviewed annually. The council reviewed the code.

**Discuss Consistency in Student Fee Assessments**
Ms. Glatt said the SBHE Tuition & Fee Committee has asked about the possibility of standardizing across the NDUS the student fee billing as it relates to fee categories, not amounts.
The group discussed issues that complicate the process, such as how the fees are allocated and how they show up on the students’ bill and in ConnectND. Refunds are made automatically based on the initial entry.

Mary Eisenbraun-BSC and Karin Hegstad-NDSU said the student finance user group would take this issue under advisement and develop a recommended common format which will be brought back to the council at a future meeting.

**Tuition Residency for Enrollment Residency Purposes**

Ms. Glatt said that for enrollment reporting purposes, there has been some interest in relying on “tuition residency” status for reporting student residency status (resident/non-resident, by state). There are three current options in the student system to capture residency status, all of which create potential residency reporting challenges. They are:

1. Geographic origin--this would be where you are originally from, but may no longer be an accurate reflection of your current residency status.
2. How to contact you--again, not necessarily a good reflection of your residency status.
3. Citizenship--becomes complicated by dual citizenship and permanent resident aliens.

When reporting out-of-state enrollment, if all rates are the same (in-state), the statistics for geographic origin in enrollment reporting could be skewed. MiSU, LRSC and WSC said they still have them broken down by residency category, the rates for each category are all the same.

Ms. Hegstad said the enrollment report reflects resident vs. non-resident; for non-residents, they break it out to what state they are from. If a student takes steps to obtain North Dakota residency, their tuition rate is changed to resident.

Ms. Glatt said we need to be able to identify the difference between an actual North Dakota resident and those students who are simply just given the resident rate but aren’t actually a resident for tuition purposes.

Ms. Hegstad is concerned about using the residency for tuition purposes for enrollment reporting, because graduate students’ tuition is usually waived and as a result, no one is very concerned with how they are being classified for tuition purposes.

**Other**

Mr. Thursby said that all of the IVN sites have been upgraded to high definition (HD). He said his staff is in the process of adding an IVN unit to each campuses president’s office, conference room, or the business officer’s office by late fall of 2010.

Ms. Glatt said OMB hearings are scheduled to take place over the next couple of months.

Discussion took place regarding the September 13-14, 2010, meeting of the Roundtable on Higher Education. Ms. Glatt remarked that there are many new members from the private sector serving on the Roundtable.
Ms. Glatt announced that the Cabinet discussed the Legacy Fund legislation at their September 1st meeting.

Meeting adjourned 2:22 p.m.

Future Meetings
October 5, 2010
November 9, 2010
December 7, 2010