Administrative Affairs Council Minutes
October 14 – 9:30 a.m.
Conference Call

Participants
Dave Clark, Tamara Barber and Mary Eisenbraun – BSC
Alvin Binstock and Mark Lowe – DSU
Corry Kenner – LRSC
Brian Foisy and Jonelle Watson – MiSU
Jim Borkowski – MiSU-BC
Mike Renk and Keith Johnson – NDSCS
Bruce Bollinger, Karla Mongeon Stewart, Karin Hegstad, Gary Wawers and Cindy Rott – NDSU
Alice Brekke, Peggy Lucke, Sharon Loiland, Cindy Fetsch, Chelsea Larson, and Dawn Pladson – UND
Trudy Collins – VCSU
Justin Maddison – WSC
Laura Glatt, Cathy McDonald, Robin Putnam, Randall Thursby, Pat Seaworth, Mick Pytlik, Teri Thorsen and Deanna Dailey – NDUS Office

Ms. Glatt said that agenda item #1, “Student Fee Billing,” will be removed from the agenda, as the CND Student Finance group has not yet completed their review and forwarded a recommendation. Ms. Glatt said if time allowed, she would like to have a discussion on the FAMIS system.

Program Fee Policy
Ms. Glatt said SBHE Policy 805.3 – Application, Course, Program and Other Miscellaneous Fees was revised in order to clarify appropriate uses of program fees, further clarifying what is intended by “unique or exceptional” program costs. As stated in the revised Section 2(d), program fee revenue must be substantially allocated for the primary benefit of students enrolled in that program during their course of study. Ms. Glatt added that she’s found that some fee revenue have been accumulated over time for future expenditures. There is also some concern that the students are not being adequately consulted and/or made aware regarding new or increased fees or revenue uses.

Mr. Clark said some of the programs are high-cost programs with low enrollment, and the additional fees are necessary in order to keep offering them at the level necessary. Mr. Renk agreed. Ms. Glatt said the proposed policy does not prevent the assessment of program fees, and questioned what current campus practices would be limited by the revisions. Mr. Lowe pointed out the need to accumulate funds for the replacement of program specific equipment. Ms. Glatt agreed this would be an appropriate use, and indicated she would change the policy accordingly.

Mr. Clark expressed concern about the annual requirement for student input on revenue allocations. He questioned whether this would be needed if there was not a substantial change in the allocation from one year to the next year. Ms. Glatt suggested a revision that to indicate that a significant change requires student review and input.
Ms. Brekke expressed her concern over the NDUS revising the policy in its current form. Ms. Glatt said the intent of this policy is to provide further clarification on the original intent of the policy that program fees to be used for “exceptional” and “unique” program costs, not program costs that are similar across all programs. She added that if anyone has better, clearer suggestions for addressing this issue, please forward them to her within the next few weeks.

Mr. Bollinger said he felt this matter should be discussed with the Academic Affairs Council before this group suggests any final policy changes. Ms. Glatt agreed and said she will incorporate the suggestions made today before handing it over to the AAC for their consideration and input.

Late Fee Procedure
Mr. Seaworth reviewed the discussion from the September Administrative Affairs Council meeting and his follow-up e-mail dated Thursday, October 14. He said he’s reviewed payment policies at a number of colleges and universities across the country. Most (almost all) require payment of tuition and fees at the beginning of the term, although many of them have a limited deferred payment option. Typically, this option provides for payment of 25% of the amount due at the beginning of the term with the remainder paid in two, three or four monthly installments. Most institutions require payment of a small fee ($10 or $20) in order to enroll in the prepayment plan. A good number of institutions specify a late payment fee (typically $25) for late payments under the plan.

Mr. Seaworth suggested that the group propose additional amendments to Policy 830.1 providing for a deferred payment plan option that is available at all institutions. Terms could include payment of an enrollment fee of $20 or $25 and 25% or 33% of tuition and fees at the beginning of the term, with the balance paid in two or three equal monthly installments. In addition, there could be a late payment fee of 1.75% (or some lesser dollar amount) for late payments. Although institutions would continue to have authority to negotiate payment terms with employers and other third parties and they could continue to agree to extend the payment date for anticipated financial aid, they would not have authority to otherwise extend credit for payment of tuition and fees. This would mean that institutions need not be concerned about TILA and Regulation Z, as long as repayment does not extend beyond four payments. All deferred payment plans would be excluded from application of TILA and Regulation Z notice and disclosure requirements.

Some of the participants expressed a desire for the policy to provide for some flexibility when working with the students on their payment arrangements. Ms. Glatt asked Mr. Seaworth to draft a policy and distribute it to the group for suggestions and input, which he agreed to do.

Legislation
Mr. Seaworth referred to his e-mail dated October 8, 2010, regarding his tentative list of proposed legislation and the bill drafts he has so far.

1. **Liability insurance for student use of state vehicles for instructional programs.** Mr. Tag Anderson, OMB Risk Management, drafted the legislation for OMB, a copy of which was attached to the agenda materials. Mr. Seaworth said he discussed the draft with Mr. Anderson and they agreed that line 5 should read “…the Office of Management (OMB) and Budget shall provide”. There is also some concern regarding the statement beginning on line 8 “shall only apply in the event the loss is not covered by the
student’s personal or other available insurance.” With this language, the student or his/her family could be held financially liable for an accident that occurred while the student was driving a state vehicle as part of their course of curriculum. Mr. Anderson agreed to consider revising this statement. Mr. Seaworth will provide the group with his decision.

Mr. Binstock suggested we use the term “driver training courses” rather than “course of curriculum.” Mr. Seaworth responded that the intent of the bill is to cover all students required to drive as a part of a course of study. In response to a question from Ms. Glatt, Mr. Seaworth said he will discuss this matter with Mr. Anderson and determine whether it needs to be clarified in the bill.

2. **NDSU request to repeal NDCC section 15-12-11.** No concerns were expressed or expected.

3. **NDSU request to amend NDCC section 44-04-18.1 to make employee ID numbers exempt from open records.** This legislation, which is being introduced by the AG’s office, would add the phrase “personal employee identification number” to line 11 of the draft outlining exempt personal information of public employees. In response to a question from Ms. Brekke regarding what, if any, impact this would have on the data warehouse project, Ms. Glatt said it would have no impact. She added that the annual budget data uses position numbers, not employee ID numbers, and thus, this amendment wouldn’t have an impact on that process.

4. **Amendment to subsection 1 of NDCC section 44-08-04 relating to team and other group travel reimbursement.** Mr. Seaworth said this draft adds specific language to clarify that the current practice which does not require employee travel as part of a team or other organized group be individually itemized for reimbursement and should address SAO concerns. The amendment states that if an athletic team or other group meal is attended at the request of and on behalf of the state or any of its subdivisions, agencies, bureaus, boards or commissions, actual expenses for the entire group, including coaches, trainers and other employees, may be paid or submitted for payment on a team or group travel expense report; subsection 2 does not apply and officers and employees are not required to document individual expenses or submit individual travel reimbursement vouchers.

Ms. Glatt said the legislature may be concerned about the definition of the word “group.” Mr. Seaworth replied that he had intended to add the word “organized” before “group” but hoped not to have to name specific groups. It was agreed that the word “recognized” be added, rather than “organized.”

There was some discussion regarding the value of obtaining an opinion from the AG’s office before introducing the legislation.

An alternative would be to request an informal opinion from Attorney General Wayne Stenehjem. Mr. Seaworth said this could likely be done. After some discussion it was agreed that the System office should ask for an informal opinion from the AG’s office before making a final decision on whether or not to introduce this bill.
5. **Amendment to NDCC section 54-06-26 restrictions on use of state cell phones.** Mr. Seaworth asked the group whether they feel it is necessary to amend NDCC 54-06-26 to provide greater flexibility for employees who use a cell phone as part of their job. Ms. Barber said BSC just revised its cell phone policy, which now states that all personal calls placed or received on their work-related phone must be documented and the cost of each call is to be reimbursed to the campus, while at the same time providing a cell phone allowance to select individuals. Mr. Foisy indicated that MiSU is moving away from “state owned phones” and instead providing employees with a cellphone allowance to avoid these types of problems.

After some discussion, it was decided that no legislation be introduced. Cell phone practices will be discussed by this group at a future meeting.

**International Student Health Insurance**

Sharon Loiland and Chelsea Larson from UND, in conjunction with representatives from NDSU and DSU, including personnel from finance, international programs and academic affairs have been trying to reach agreement on a proposed policy revision; however, they have not been able to reach agreement. Campuses have expressed concern about their ability to comply with the current policy revisions which require insurance coverage before registration. Ms. Larson reviewed the changes as identified on the draft document, including the suggestions from NDSU. In summary, the suggested policy changes are to: 1) take out the requirement that insurance must be in place at the time of registration, and, 2.) require international students have insurance in place by the sixth week of enrollment. Furthermore, each campus shall develop procedures for collecting the cost of the insurance from the student.

The procedural change suggests that the institution is responsible for paying the premium by the sixth week of enrollment.

In response to a question from Ms. Loiland, Mr. Seaworth said if the SBHE adopt the policy as it is currently written, it could be construed that the NDUS has the responsibility for payment of the insurance. If a student would suffer an injury or illness prior to the payment of the insurance, the treating medical institution could come after the NDUS for payment of medical bills. It also will increase the risk of bad debts at the institution if the student does not repay the institution for the cost of the coverage.

After some discussion, it was agreed that this issue be forwarded to the Cabinet to determine the degree of institutional risk the presidents are willing to accept in order to accommodate the unique needs of the international students.

Lost telephone connection, meeting adjourned at 12:09 p.m.

**Future Meetings**

November 9, 2010
December 7, 2010