Discuss CND financial obligation

Ms. Glatt referred to the e-mail she sent to the Administrative Affairs Council (AAC) regarding a recommendation from the CND student finance user group. Their recommendation is to add functionality to the student system, where a student would be required to click an “I agree” button when they register, essentially acknowledging that by registering for classes, they have committed a financial obligation. In addition, they would like to add two other items to this statement requiring students to assume any collection costs, and to also ensure that educational costs are not discharged in a bankruptcy case.

CND director Mick Pytlik said that the preliminary assessment is that this will take a few months to develop and implement. He added that there are several other campuses across the country that have asked this functionality to be added to the Oracle product; however, it is unknown whether they intend to add, but he will follow up with them to see if it is planned in the near future. Mr. Pytlik said that this project, if approved, would need to be considered along with all the other projects they are working on and prioritized accordingly.

Ms. Glatt asked the AAC whether this is something they wanted the System to implement and asked for input from the group.

Mr. Binstock asked if there is anything in this language that would be overshadowed by laws, particularly the bankruptcy laws. Ms. Glatt said that has been previously discussed among some system legal counsel and UND legal counsel has suggested that based on their research, if properly worded, the debt would not be discharged in a bankruptcy court. Mr. Binstock asked whether it would be possible to address the issue of having a prompt attached to a sign-in process/function which would require students provide a current address and/or a timing function, such as every 60/90 days. Mr. Binstock believes this would prove most beneficial and that such a process would provide for better communication with our students and
efficiencies in several arenas. Mr. Pytlik said he’d be willing to review the process again and report back to the AAC relative to the challenges of implementation.

In response to a question, Mr. Pytlik said that in order to simplify implementation and management it would be important to have the financial obligation statement in place on all 11 campuses and that the language be consistent.

When asked whether any of the AAC members had any concerns about implementing a financial obligation statement, there were none. As such, Mr. Pytlik said this will be added to CND’s project list.

Discuss and Consider Policy Related to State Cooperative Contract for Rental Vehicles
Discussion took place regarding the state cooperative contract for rental vehicles for out-of-state travel recently released by state procurement. Although NDCC Section 54-44.4-02 states that OMB is the purchasing agent for all state agencies and institutions in the executive branch of government, NDCC section 15-10-17 carves out an exception to the general rule that recognizes SBHE constitutional authority. SBHE policy 803.1 states that “NDUS institutions shall cooperate and make joint purchases with the Office of Management and Budget Purchasing Division when advantageous to do so.” In order to be consistent with the intent of section 15-10-17 and SBHE policy 801.3, Mr. Seaworth recommended that NDUS purchasing officers and the AAC consider whether it may be advantageous to require that NDUS employees take advantage of the state cooperative contract for rental vehicles or at least take advantage of the contract when it is feasible and practical to do so. He also suggested it may be appropriate to recommend a policy amendment relative to vehicle rentals by NDUS employees.

Mr. Binstock, Mr. Renk and Ms. Collins said that the companies in OMB contract do not have an office in their immediate area; however, there are local car companies that offer a discounted rate to the campus. Everyone agreed that when possible, it would be to our benefit to use the contract, when in an area where it’s available. Because there is already language in our policies that indicate the NDUS should follow OMB contracts when advantageous, it was agreed that there is not a need for a separate policy regarding rental vehicles.

Campus representatives will be asked to get the message out to their employees that the Nationwide contract is available and encourage them to use it when they can.

Discuss and Consider Payroll Efficiencies Report
Based on an October 2010 survey, the Administrative Affairs Council identified payroll efficiencies as one of three top priorities for review during the next year. Following that, a subcommittee was created to examine issues and develop a recommendation.

The Committee met several times and discussed various approaches to defining options for achieving efficiencies in the payroll process. Based on that discussion and keeping with the intent to examine options which most readily lead to efficiencies in the payroll function, the committee (with the exception of the NDSCS HR Director) recommends that the NDUS consider the implementation of electronic workflow a top
priority, and furthermore, asks the CND HRMS User group to develop a plan by August 31st as follows:

- Identify current available CND workflow functionality
- Identify CND workflow functionality which will be available upon completion of the 9.1 upgrade, in about mid-June
- Prioritize implementation of workflow functionality for various processes
- Complete a review of the highest priority (top 1 or 2) workflow initiatives. The review would include, at a minimum:
  - pros/cons,
  - policy implications,
  - costs, if any,
  - CND process issues,
  - timeline and process for implementation

The report must be completed and submitted to Laura Glatt by August 31st and subsequently reviewed with Human Resource Council and Administrative Affairs Council. The August 31st date is the targeted completion date for the report, given the planned HRMS system upgrade in June, and also allowing time for any upgrade issues to be resolved thereafter.

The Administrative Affairs Council expressed no concern with this approach.

2011-12 Annual Budget Guidelines
Ms. McDonald reviewed the NDUS 2011-12 Proposed Annual Budget Guidelines, which were distributed with the meeting materials.

Ms. Glatt said the Chancellor has indicated that no campus has expressed an interest in a tuition rate increase beyond 0/2.5%. Mr. Bollinger said that NDSU may be requesting to increase tuition more than 2.5%, even if equity is funded by the legislature. In response to a question from Ms. Glatt, Mr. Bollinger replied that President Bresciani did recently share that with Chancellor Goetz. Ms. McDonald and Ms. Glatt stressed the need for the request for a tuition increase of more than 2.5% be submitted to the System office ASAP in order for it to be considered at the May 5 meeting of the Budget, Audit and Finance Committee.

Discuss Final Legislation

HB1033 – Interim legislative study: In addition to the interim study regarding higher education management, there may also be a study on funding methodology.

HB1119 – Authorizes insurance coverage for the student drivers in instructional programs. In response to a question from Ms. Glatt, Mr. Seaworth said there’s nothing else for the NDUS and the institutions to do at this point, but he encouraged campus representatives to contact either himself, Ms. Goulet-Wagner or the office of Risk Management to be sure there is coverage for any student driver when in doubt.

HB1426 – Sets the meal reimbursement rate at 65% of the federal GSA rate.
HB2065 – Permits consolidated payment and exemption from per diem limits for athletic team and other organized group meals.

SB2323 – Requires monthly variance reports to OMB for NDUS improvement projects over $250,000. The Chancellor has sent a letter to Governor Dalrymple requesting that he veto SB2323. In addition to the NDUS, the Office of Management and Budget is also not in favor of the process outlined in this bill.

SB2351 – Requires posting of student fees; during 2011-13 limits total mandatory fee increases to not more than 1% of average undergrad tuition, with guidelines for limited exceptions.

Mr. Clark asked for directions regarding requesting room rate increases attached to requests to proceed with a construction project. Ms. Glatt replied that they will have to be submitted at the same time the SBHE approves the construction project.

Update on Local Fund Audit
Ms. Glatt reported that the auditors have narrowed the scope of their audit and have been gathering documentation from NDSU, UND and the System office. Field work will begin soon at UND, followed by NDSU. They do not expect to wrap up the audit fieldwork until the fall of 2011.

Update of Risk Assessment
Ms. Glatt reported that LarsonAllen has nearly finished their field work at each campus for the NDUS risk assessment. They will begin work at NDSCS on April 28, after which time they will begin at LRSC. Draft reports have been provided to some campuses but the final documents won’t be considered final until all campuses and the system office are complete due to the interrelated nature of the issues, and potential recommendations.

Tuition Matrix
Ms. Glatt reviewed the tuition matrix that was distributed earlier this morning. This will be considered by the Cabinet on May 2, 2011. There were no suggestions for change.

Meeting adjourned at 3:32 p.m.

Future Meetings
June 14, 2011
July 25-26, 2011
August 30, 2011
October 11, 2011
November 22, 2011