Ms. Glatt called for additional agenda items. There were none. Ms. Glatt added the following three topics for discussion today:

- Student Fees Task Force update
- 2013-15 Utilities Budget Request
- 2013-15 Security and Emergency Planning Budget Request

Tuition Waivers
Ms. Glatt said that at their April 17-18, 2012, meeting, the Interim Higher Education Committee intends to discuss tuition waivers. Chancellor Goetz has asked presidents Kelley, Fuller and Richman to attend this meeting and be prepared to discuss the purpose and benefit of tuition waivers.

At the March 27, 2012, Legislative Audit and Fiscal Review Committee (LAFRC) meeting, the State Auditor's Office (SAO) was directed to conduct a performance audit of tuition waivers and stipends on all NDUS campuses. Ms. Glatt said the expectation is that the SAO complete their report prior to the upcoming legislative session.

Ms. Glatt said the NDUS needs to find a mechanism for more consistent reporting of waivers/stipend/tuition discount pricing practices. Ms. Glatt said there has been a suggestion to start footnoting all these variables on schedules, including calculations on various methodologies. She said this creates additional confusion, and does not believe this would be a good long-term solution. Ms. Glatt suggested at least two options:

1. Require all campuses to measure waivers and tuition rate discounting practices similarly against a set of pre-defined rates (e.g. 267% non-residents, 150% contiguous, etc.).
2. In addition or alternatively to #1 above, measure how much revenue each campus is collecting and whether it is reasonable based on benchmarks.
At this time, Ms. Glatt asked for comments and suggestions. Ms. Brekke expressed her concern that any reporting be consistent but flexible. She added that she feels tuition waivers are currently being managed according to board policy and that she doesn’t believe there is one clear approach that will work for everyone. Ms. Brekke agreed with Ms. Glatt’s suggestion to focus on collections rather than on waivers. She sees the DSU audit findings as a good reminder that the NDUS needs to consider the administrative cost to manage all of these various tuition waivers, discounts, etc.

Mr. Renk explained that since NDSCS charges out-of-state students the resident rate tuition, providing they are staying in the residence halls and purchasing a meal plan, he doesn’t see any issues with the current tuition waiver report. While Ms. Glatt agrees this concept may be a good business plan, there is still a need for reporting consistency throughout the system.

Mr. Foisy asked Ms. Glatt if she is suggesting that the NDUS campuses should no longer offer tuition waivers altogether and if so, he believes that practice will be detrimental to MiSU. Ms. Glatt said she is not suggesting that we stop offering tuition waivers, but rather that all NDUS institutions use a consistent reporting methodology, whether it is a waiver, a tuition rate discount or stipend, in an effort to be more transparent and allow others to gain a better understanding of how waivers/discounts are handled throughout the system.

Ms. Hegstad expressed her concern that if it is agreed that each institution should report on tuition collections based on each residency category, it would still be necessary to report on the resident vs. non-resident rate. Ms. Hegstad also said she believes that we must separate out the graduate rate vs. undergraduate rate in the tuition collection report. Ms. Glatt agreed that we will have to be able to disaggregate it to a finer level.

Ms. Glatt asked for feedback from each of the campus representatives regarding the direction.

NDSCS – Mr. Renk said he feels we should wait and see what comes out of the April 17-18, 2012, Interim Higher Education Committee meeting and the three presidents have made their presentations to the committee. He indicated that he is not sure any change will satisfy the legislature.

BSC – Mr. Clark agrees with Mr. Renk, as he feels like we should see how the committee reacts to the presidents’ presentations before investing a great deal of time and effort into something we may not even need to do. Ms. Glatt’s fear is that the legislators will get even more frustrated with us if we come to the meeting with all these different versions of reporting “waivers” with no explanation or plans. In that scenario, Mr. Clark agrees with the bottom line approach or measuring collections.

LRSC – Mr. Kenner agrees with Mr. Renk and Mr. Clark. Mr. Kenner said he doesn’t know how we can possibly compare institution to institution because of the different things that are going on. As long as the bottom line approach doesn’t compare one to the other, that would be his preference.
WSC – Mr. Foertsch stated that, while he doesn’t think we should prepare a great deal for the April Interim Higher Education meeting, he doesn’t believe we can ignore the Legislators frustration with the NDUS. He said he is unsure how we should proceed.

NDSU – Mr. Bollinger said he’s not sure either, but he agrees we need to be cautious. He added that he hopes the SAO report will provide us more direction.

MiSU – Mr. Foisy said based on what he saw at the Legislative Audit and Fiscal Review Committee (LAFRC) meeting, he does not believe that the majority of the members understand the terms that were used. He said he believes cramming all of the institutions into the same box is an extreme approach, which we should avoid.

DCB – Ms. Bowen said she is looking for direction on how to report their collections/tuition waivers from this point forward.

VCSU – Mr. Dawes said VCSU can’t afford to get rid of waivers altogether. He suggests the NDUS prepare a report indicating if we are out of line with the amount/type of tuition others states’ public colleges and universities waive.

UND – Ms. Brekke said she feels it is important to make the business case at the meeting.

MaSU – Ms. Foisy said he believes differentials in tuition charges/waivers are part of what causes most problems for the legislators.

DSU – Mr. Binstock agrees with what’s been said thus far. He suggests we push the affordability issue. While Mr. Binstock said he agrees we need to respond these concerns, he added that we can’t overreact at this point.

Ms. Glatt thanked the group for their input and said she will provide the chancellor with a report, including the Councils comments and he will determine how NDUS will handle this matter at the April Interim Higher Education committee meeting, and any future review and modifications.

Mr. Foisy suggested we create a workgroup to discuss this prior to the meeting and offered to be part of it. Mr. Bollinger, Ms. Brekke and Mr. Dawes volunteered to be on this workgroup, as well.

StudentFeeTaskForce
The SAO has identified a two-prong audit scope on the “local funds (fees)” audit: 1.) fees; 2.) other local funds including auxiliaries and scholarships.

Discussion took place regarding student fees and the way campuses use them. Ms. Glatt said that based on recently identified issues and legislators and SBHE member concerns, she sees things moving in one of two directions:

- The SBHE Student Fee Task Force, and ultimately, the SBHE, review and modify policies to add more specificity to the policies regarding such things as reserve balances, student input, use of fee revenues, etc.
• The other approach is to roll some fees into tuition. For those separately retained fees, clear and specific policy guidelines.

Ms. Brekke said that UND already intends to move in the direction of collapsing fees into tuition. She said we must be aware of the students and the legislators need for transparency on how we spend the revenues generated.

Laura asked if anyone would object to a directive coming from the task force:

1. Within a certain period for time, ask each campus review & evaluate all fees and, including the intent to collapse, eliminate or reduce the number of fees (roll into tuition, etc.) overall
2. With all remaining fees a concerted effort to review and update policies to better define common terminology, as well as how those funds can be used.

Mr. Binstock said regarding the collapsing of fees, he’s concerned about the audit recommendation that the student should know specifically what they are paying for and how it is being spent.

Mr. Bollinger said NDSU currently is looking at all of their fees as part of the tuition model revision, and intend to roll some fees into tuition.

There were no expressed objections to Ms. Glatt’s suggestions regarding campus review of fees as noted above.

A special face-to-face meeting of the Administrative Affairs Council to discuss the DSU audit will be scheduled in the near future.

2013-15 Utilities Budget Request
Mr. Clark, Mr. Renk, Mr. Foisy, Ms. Glatt and Ms. McDonald met with Tammy Dolan from the Office of Management and Budget, to discuss the following issues related to the 2013-15 utilities budget request:

• Request that at any campus wherein a negative amount is noted in column (14), the campus base budget not be reduced. Conversely, wherein a positive amount is noted in column (14), OMB fund the necessary increase in the 13-15 biennial budget. The basis for this position is as follows:
  1.) In the event of a shortfall during the biennium, campuses do not receive any additional state funds, and instead must internally reallocate from other areas of their budget to cover the shortfall. Likewise, campuses should be allowed to retain any remaining funds.
  2.) Approach creates an incentive for management to pursue energy saving alternatives, and other improvements, as savings are not recaptured.
  3.) Utilities is a small portion of the overall budget, and is appropriated as part of a single operations line item.
  4.) Campus flexibility is necessary between all cost components to meet dynamic and complex Institutional needs. For example, campuses are periodically required to make
improvements to meet EPA and other regulations, for which no additional funding is provided.
5.) A consistent base budget is critical for effective long term institutional planning.
6.) ND experienced an unusually mild winter in ND. This could not have been anticipated when projections were prepared two years ago, and may not occur in the future.
7.) A separate utility component may be eliminated in the future, given development of a new funding model under the leadership of the Governor. Thus, this may be a onetime issue.
8.) Historically, and on a continuing basis, campuses have and would continue to use any remaining utility funds, for onetime purposes, in support of physical plant needs. This would include future energy conservation programs, deferred maintenance, infrastructure repairs and improvements, and other similar physical plant needs.

Ms. McDonald said Ms. Dolan agreed with the information as presented, and said that OMB does not intend to reduce the utilities budget, for any campus, from current funding levels. She indicated that OMB did want a commitment that any savings be used for one-time purposes, especially capital projects.

2013-15 Security and Emergency Planning Budget Request
Ms. Glatt said the chancellor is supportive of the 24/7 coverage plan for campus security and instructed development of a budget plan. She will adjust the actual number of FTE’s required, as suggested previously, for 24x7 coverage. For emergency preparedness planning support, the budget request will include one FTE at UND, one at NDSU, and one at the system level to work as a team.

There were no other suggestions for change.

Other
Mr. Binstock asked who to contact regarding lecture capture systems, Ms. Glatt suggested he call Mr. Thursby.

Meeting adjourned at 11:00 a.m.

Future Meetings
April 25, 2012
May 22, 2012
June 26, 2012
July 23-24, 2012 (retreat)
August 28, 2012
October 9, 2012
November 20, 2012