Administrative Affairs Council Minutes  
April 25, 2012 – 9:00 a.m.  
Conference Call

Participants  
Dave Clark and Tamara Barber – BSC  
Alvin Binstock and Mark Lowe – DSU  
Corry Kenner – LRSC  
Brian Foisy – MiSU  
Kara Bowen – DCB  
Mike Renk and Keith Johnson – NDSCS  
Cindy Rott and Karin Hegstad – NDSU  
Alice Brekke, Peggy Lucke, Dawn Pladson, Cindy Fetsch and Michelle Eslinger – UND  
Doug Dawes – VCSU  
James Foertsch – WSC  
Laura Glatt, Randall Thursby, Mick Pytlik, Cathy McDonald, Robin Putnam and Deanna Dailey – NDUS Office

Ms. Glatt called for agenda additional items. There were none. However, the existing agenda items will be rearranged to accommodate presenters’ schedules.

Student Health Insurance RFP  
Michelle Eslinger, director of Student Health Services at UND, reported that an RFP (request for proposal) for student health insurance coverage was sent to more than 17 vendors, including Vaaler (current provider), United HealthCare (MHEC) and Blue Cross/Blue Shield (BC/BS). The NDUS Student Health Insurance Sub-Committee prepared a list of 13 evaluation criteria, which they felt would be in the best interest of students regarding the selection of a health insurance provider. The RFP and related documents can be viewed on the NDUS website (www.ndus.edu).

The three finalists were interviewed, at which time each vendors’ flexibility and ability to provide multiple plan options were discussed at length. Based on the information provided in the RFP and the interview process, the committee recommends that the contract be awarded to BC/BS. The plan provides for 80% coinsurance coverage in network, 60% out-of-network, and no limits on prescription benefits. The premium is $751 per student (single plan) or $1,038 for a family (student, spouse and dependents). The Student Affairs Committee will review the recommendation on Wednesday, April 26, and make a recommendation to the chancellor, who will select the final vendor. Ms. Glatt said she expects this to be resolved by the end of May 2012 and the new plan to be in place for the Fall 2012 semester.

Recharge Centers  
Ms. Putnam explained the changes made to NDUS procedure 810.2 – Recharge Centers, which is recommended by the controller’s group. She said the motivating factor for these revisions was
to incorporate recharge center expenses into the appropriate functional expense area consistent with IPEDS and other reporting areas.

It was the consensus of the Administrative Affairs Council (AAC) to recommend to the Cabinet the proposed procedural changes at their next meeting.

**Update on Maximizing Efficiencies through Results**
Ms. Glatt said a schedule outlining the process and deadlines for the action items for the Efficiencies Oversight Committee was distributed with the agenda materials (begins on page 17). The projected deadlines are, however, subject to change. She added that an existing workgroup or new workgroup will be created to ensure that campus input for each of the items. Mr. Thursby said this document will be posted to the NDUS website, which will also include all documents related to this process.

Ms. Glatt explained that each workgroup will bring their recommendations to the Oversight Committee, which consists of SBHE members Grant Shaft, Kirsten Diederich and Terry Hjelmstad, who will then bring their report and recommendations to the SBHE for consideration. As each of these system workgroups are functioning and evaluating documents, they will bring them to the appropriate senior councils for input prior to the report going to the cabinet for their approval.

**Document imaging system**
Mr. Pytlík reviewed the “NDUS Lecture Capture Considerations and Recommendations” slides that were distributed with the agenda materials. He said that a slightly modified version of this presentation will be delivered to the Oversight Committee on Monday, April 30.

This cost of this project, which would allow for the sharing of information within and among the 11 campuses, will likely be distributed between all institutions, at some point in the future, although the details are not currently available.

There are four implementation options:
1. Centralized system – all 11 campuses, hosted by NDUS and/or the vendor
2. Some centralized, some individual campuses
3. Centralized system on each campus
4. Decentralized system

Discussion took place about some concerns from those campus representatives who have been using an imaging system and the potential loss of information during the transition to a centralized system.

Ms. Glatt said she expects that each campus will have to fund a portion of the document imaging system during the 2013-15 budget, but amounts are not known at this time.

**Mandatory Fee Structure**
Ms. Glatt said the issue of how fees are described and assessed across the system continues to be brought up by the SBHE, legislators, etc. Today, Ms. Glatt asked the Administrative Affairs
Council to discuss fees, starting with fee categories and descriptions, and how the NDUS can become more consistent.

Discussion took place regarding the concept of collapsing all fees into two types: mandatory fees (student government, student activity fee, etc.) and user specific fees.

Ms. Hegstad suggested this issue be referred back to the Tuition & Fee Setup Review Committee, chaired by Mary Eisenbraun-BSC, to work out the details. Ms. Glatt agreed, but added that she thinks it would be helpful for the Administrative Affairs Council to provide them with some background information which they can use to make a more informed decision.

Ms. McDonald said that at the most recent Higher Education Committee meeting, legislators asked system officials if we are able to prove to students that the fees we are collecting are being used for what they were intended. Ms. Lucke said the revenue follows the intended use and added that she doesn’t feel this group is best able to decide these matters. Ms. Glatt said while she understands Ms. Lucke’s and Ms. Hegstad’s concerns, she would prefer that the Tuition and Fee Set-Up Committee merge the fees into no more than two common categories for billing and other public display purposes. However, if that committee feels that only one category is best, they have the flexibility to recommend that method, as well.

It was agreed that Ms. Glatt will contact Mary Eisenbraun at BSC, who chairs the Tuition and Fee Set-Up Committee, and relay the concerns to her.

Council dues
Ms. Glatt referred to Mr. Seaworth’s email dated March 23, 2012, regarding system council dues. Mr. Seaworth advised that it is lawful to collect dues from each institution and the system office, set up an account for deposit of those funds and designate some institution or system office as the “fiscal agent” in order to use the funds to cover expenses of an annual business conference or similar event, provided all expenditures are consistent with applicable laws and policies.

It was the consensus of the Administrative Affairs Council to use existing funds for continuing business related meetings, and once depleted the hosting campus will pick up the meeting costs, within the SBHE policy requirements.

Policy/Procedure Review and Checklist
Ms. Glatt explained the “Index of SBHE Policies/NDUS Procedures action by the SBHE, Chancellor or others” spreadsheet that was distributed via separate message. She said this file outlines all of the policies and procedures and what level of review or approval is required in all SBHE policies and NDUS procedures. It is intended to serve as a reference and checklist for campus and system use to ensure compliance with SBHE policies and procedures.

Capital Budget-Energy Performance Contract Projects
At the conclusion of the March 30, 2012, Administrative Affairs Council meeting, it had been agreed that a meeting would be set up with the Office of Management and Budget (OMB) to discuss the 13-15 utility budget request, which in part, includes energy performance contract
payments. Mike Renk, Dave Clark and Brian Foisy volunteered to participate in that meeting. As a result, OMB has tentatively agreed to no base reductions related to utilities in 2013-15. OMB has asked that savings in the utility budget be used for future performance contracts, deferred maintenance, infrastructure repairs and improvements and other physical plant needs, that do not result in future increased ongoing costs.

Ms. Glatt suggested she would like the Council to consider a possible new capital project initiative to create an ongoing source of funds to address energy performance contracts. In concept, the state would be asked to set aside general fund dollars to which campuses could make application for use of the funds, to cover up front energy improvement projects. The upfront dollars would be repaid by the campus over a period of years (the recovery period) and at the end of that period, savings would become a permanent part of the campus funding base. This creates a revolving fund to assist with ongoing projects.

Mr. Dawes said there was a similar arrangement at one of the campuses where he had worked in the past. He offered to help Ms. Glatt contact the individuals involved in order to gain some insight from them. Ms. Fetsch said she will follow up with the appropriate individuals at UND to assist with this project.

**Employee Tuition Waiver**

Included in the meeting materials was a draft of the employee tuition waiver options that were shared with the cabinet at their March 28, 2012, meeting. Mr. Foisy reviewed the options described in that document.

- Option A – Replace existing policy with a new benefitted employee tuition waiver policy where employees are responsible for 20%, employing campuses 40% and delivering campus waive or discount 40% of the tuition for both state-supported and self-supported degree credit courses.
- Option B – This is a new benefitted employee tuition waiver model for self-support courses only. The existing SBHE Policy 820 – Tuition Waivers remains in place for state-support courses.

Ms. Glatt said that at the March 28 meeting, the cabinet expressed interest in getting an understanding of the financial implications of either model prior to any implementation. Ms. Brekke added she agrees there are other issues that need to be clarified and suggested that this group select a preferred strategy and begin to research the issue(s) prior to implementation.

In response to a question from Mr. Clark, Mr. Foisy said that campuses have the option to pay the student’s share of the tuition, if desired.

Ms. Glatt said this issue will be going before the SBHE on May 16, 2012, for consideration and encouraged the workgroup to have their recommendation prepared by then.

**Other**

Mr. Thursby said the Academic Affairs Council has determined that the costs associated with the lecture capture implementation will be distributed among all NDUS institutions in 2014. Mr. Binstock expressed concern that according to the presentation materials, it appears that DSU will
be assigned the largest share. He suggested that the Administrative Affairs Council needs to see and be involved in these discussions that include a fiscal impact, before they are reviewed by the Cabinet and/or SBHE.

Meeting adjourned at 12:31 p.m.

**Future Meetings**
May 4, 2012
May 22, 2012
June 26, 2012
July 23-24, 2012 (retreat)
August 28, 2012
October 9, 2012
November 20, 2012