Administrative Affairs Council Minutes  
August 28, 2012 – 10:30 a.m.  
Horizon Building Conference Room  
Bismarck State College

Participants  
Dave Clark, Tamara Barber and Mary Eisenbraun – BSC  
Mark Lowe and Bill Ament – DSU  
Corry Kenner – LRSC  
Brian Foisy and Jonelle Watson – MiSU  
Kara Bowen – DCB  
Mike Renk – NDSCS  
Bruce Bollinger, Karin Hegstad and Cindy Rott – NDSU  
Alice Brekke (via telephone), Peggy Lucke and Cindy Fetsch – UND  
Doug Dawes – VCSU  
James Foertsch – WSC  
Laura Glatt, Randall Thursby (via telephone), Mick Pytlík, Cathy McDonald, Diane Peterson,  
Tom McNaughton (via telephone), Angela O’Leary (via telephone), Linda Baeza Porter  
(via telephone) and Deanna Dailey – NDUS Office

Ms. Glatt called for agenda additional items. There were none.

Annual Budget  
Ms. McDonald said the development team at ConnectND will be developing a web-based budget planning program. The team has been meeting for about a month and Ms. Thorsen said campus input is now required to continue development efforts. The group will be meeting in Fargo on Thursday, August 30, to gather business requirements from the campus representatives. Once compiled, these requirements will be sent to all institutions for review.

Three-Tier Access Plan  
The Chancellor has shared the Three-Tier Access plan with the Cabinet and the presidents have met individually, by tier, with Dr. Shirvani to provide their input.

Ms. Glatt said she would like to focus discussion on the timeline, validity of the data and calculations because the chancellor will gather feedback from the presidents directly on the proposal. In addition, although she thinks he’s open to refining the plan, Ms. Glatt does not believe he would consider a major overhaul of the plan concepts. Given the short timeline, Ms. Glatt said it is important for this group to discuss how to implement the steps outlined in the proposal in a timely manner.

Ms. Glatt said she has raised concern about the aggressive timelines and the campus and system office impact, especially during a legislative year. However, she said even though the Chancellor understands these concerns, he feels it is important to demonstrate change prior to the Legislative
In summary, Ms. Glatt said there may be room for minor adjustments to the timeline but believes it would be very limited, based on conversations with the Chancellor.

Ms. Glatt said she hopes to briefly review academic-related items within the Three-Tier Access Plan and have more thorough discussions regarding the financial-related issues.

**Admissions** – There was discussion regarding the Admissions portion of the access proposal. Concerns were expressed regarding the admissions score, particularly with the class ranking and the difference between being #3 in a class of 400 vs. #3 in a class of four. The difference in GPA calculations among schools could also have an effect on the admission score. Ms. Glatt said that, due to these types of issues, there may be some changes made to the scores as presented on page 7 of the agenda materials. However, she believes the intent is to have a significantly measurable difference between the research and the regional campuses admission scores.

**Quality** – This section of the plan calls for NDUS institutions to provide quality and timely feedback to K-12 for improvement in a P-20 environment by providing the North Dakota High School to College Readiness Report. The data will come initially from ConnectND but SLDS (State Longitudinal Data System) may ultimately be used, if that data is found to be more appropriate.

**Affordability** – In an effort to assist North Dakota residents who wish to obtain a postsecondary education, the proposal calls for changes to state-funded, merit-based financial aid. These changes would include additional funding for need-based aid, offering financial aid to part-time students, and projects to attract and assist adult learners (Non-Traditional-No-More, or NTNM). Ms. Glatt said the chancellor will gather data regarding where NDUS campuses are dispensing their own financial aid programs (endowments, scholarship funds, which are usually administered by the campus or foundation). In response to a question from Ms. Hegstad, Ms. Glatt said that ultimately, tuition and fees will likely be affected, as the chancellor believes the research institutions do require sufficient revenues in place to support their complex mission and services.

**Learning** – The proposal states that the NDUS will develop a more efficient and mission-driven answer to student readiness. The suggested criteria includes plans to transition all remedial/developmental coursework, as well as dual credit courses, to the community colleges; and continue to assist the Department of Public Instruction (DPI) in curriculum alignment between high school courses and entry-level credit bearing college courses and other common core state standard objectives.

In addition, a uniform pricing scheme for dual credit will also be developed, which recognizes delivery methods in setting those rates.

**Accountability** – The NDUS must provide students, parents, and public officials transparency with regard to the true cost of education.

One of the criteria in the proposal is to change the way NDUS institutions handle tuition and fees, specifically moving to a per-credit hour tuition model for all delivery methods,
differentiated by program, where appropriate. The per-credit hour model includes tuition, program and course fees, unless exceptions are approved by the chancellor. These rates will be differentiated among tiers based on three-tier admission standards over time.

- All North Dakota resident students will be charged the resident rate.
- All in-country non-resident students from contiguous states and Canadian Provinces will be charged at 1.5 the resident rate.
- All in-country non-resident and international students will be charged 1.75 the resident rate.
- All non-resident students from Minnesota, MHEC and WICHE states will be charged according to existing agreements, unless modified.

All non-mandatory fees will be consolidated with tuition, where appropriate. Fee policies regarding charge, use, approval, oversight and other related matters will be strengthened for all remaining fees.

Categories of mandatory fees on student billing will be standardized, with more information available on campus websites about amounts and uses.

Regarding tuition waivers, undergraduate tuition rates may be reduced with the total institutional reductions not to exceed 5% of undergraduate tuition charges of the previous academic year. For graduate students, a separate budget plan recognizing the importance of attracting top quality graduate research and teaching assistants utilizing national benchmark data.

Discussion took place regarding the proposed tuition model and how it will affect tuition revenue. Mr. Clark said that at BSC, they will have to increase resident tuition rates significantly if they must reduce the online rate. Ms. Glatt said the proposal calls for a common model (i.e. per credit hour) across delivery types, not necessarily a common rate across delivery types. She added that the chancellor feels that nearly all course fees will be rolled up into tuition, with very few, if any, exemptions.

Ms. Brekke expressed her concern that the aviation program at UND will present a challenge when applying the proposed tuition model, to be combined with fees. Ms. Hegstad said NDSU’s study abroad program will be problematic, as well.

Ms. Glatt said in the fee audit report, the SAO recommended that once fees are rolled in with tuition, they also be separated out for expenditure and tracking purposes. The plan does not support that position and instead would give the campuses the flexibility to use the combined revenues to support their institutional mission and programs.

Ms. Glatt asked the group for other non-mandatory fees that could be blended into tuition. There were none. She said a more descriptive policy regarding how the non-mandatory fees should be handled under the new model will be drafted and that there will likely be more restrictions about the use of stand-alone fees.

Concerns regarding the limitation of tuition waivers were discussed at length. Mr. Ament said the non-resident tuition rate increase from 1.25 to 1.5 will be a significant detriment to the four-
year campuses. Ms. Glatt said she is not certain how the ND/MN reciprocity agreement will be affected by this plan. For AY2012-13, NDSU had an issue with their engineering program, as there is no comparator at Minnesota institutions. Administrators were able to create a short-term fix (for this year) but we will have to work that out as we move forward. Additionally, the reciprocity agreement calls for the same admission standard for ND and MN students.

Ms. Glatt said most tuition waivers will eventually be eliminated, but added that she is not sure that the 5% benchmark is the correct figure, as the change in the rate structure (e.g. 1.25, 1.5, etc.) alone will have a significant impact on tuition waivers. Ms. Glatt, however, feels there will be far fewer waivers being offered in the coming years. She said she must get clarification from chancellor regarding whether the mandatory waivers (military, employee) would be included in the 5% limitation or not. Graduate waivers will be separate from the undergrad waivers and will be based on national benchmarks. Mr. Lowe suggested the 5% waiver limitation be based on the current year revenue estimate as opposed to prior years. Mr. Foisy expressed his opinion that the smaller the institution, the more problematic this will be and added he feels the 5% is much too low.

The actual implementation of the per-credit tuition model, with blended non-mandatory fees, is scheduled for fall 2015. However, we will need to announce the plan to the public by the fall of 2014, so this is really when we’ll need to have things outlined, according to Ms. Glatt. She said the System office does recognize the short timeline and hopefully, in terms of ties into the NDUS biennial budget request, this will allow us to make this change at the beginning of a biennial budget. She noted that the implementation dates are subject to change, as the Chancellor would like to accelerate the changes. Furthermore, she noted it makes most sense to make all changes to the model at one time, instead of incrementally.

Mr. Foisy said if waiver budgets are cut, then fewer students will be on campus. If the admission standards, as outlined in this Three-Tier Access Plan, were implemented today, 26% of MiSU’s incoming freshmen would not be admissible. Mr. Thursby said the entire admissions formula will likely be revised following input from campus officials. Ms. Hegstad asked if there been any discussion about enrollment issues and asked WSC, BCS and NDSCS representatives if their students are taking fewer credit hours since they are being charged per credit hour. Mr. Clark said BSC had small decline in the number of credits taken by full time students, Mr. Renk added that NDSCS had none. Both BSC and NDSCS offered foundation scholarships to students in the initial transition to encourage student enrollment in the liberal arts. Ms. Glatt said we will need to research other campuses across the country to get an idea of the impact moving to a per-credit hour tuition rate has had on their enrollment. There were also concerns that students will likely take fewer courses per year if they are paying for each credit rather than a full-time rate and how this may impact the length of time necessary to complete their degrees.

Ms. Glatt asked for feedback regarding the implementation timeline. Ms. Brekke said that the tuition model timeline is okay for UND, but the residency status portion of the timeline calls for implementation one year earlier. Ms. Brekke said that separating the issues will require an initial change in the resident rate as well, to offset the changes in the non-resident rate categories. Ms. Glatt said she feels this should all be done at the same time, not just for mechanical reasons, but
also to make it less confusing when explaining the new tuition plans to students, parents and the general public.

Ms. Glatt referred to the spreadsheets that had been distributed along with the agenda materials. She explained that this chancellor is very data driven and uses that data for many purposes, including, at times, use outside the system. Ms. Glatt said we are no longer in the environment where we will have the time to send data from the system office to the campuses for review it to be sure the figures are accurate. She emphasized the value of the data warehouse and the necessity to consistently code information. She indicated her intent to share the information for review by campuses when able.

Ms. Glatt provided a brief review of the spreadsheets for the group. There was no discussion of the information as presented. Ms. Glatt asked members to send her any corrections.

SAO Fees Performance Audit Plan
Ms. Glatt said the NDUS’s response to the SAO Fees Performance Audit Plan was shared with the cabinet on August 27, 2012. Dr. Shirvani intends to take the responses before the SBHE on September 5, 2012. Ms. Glatt is uncertain as to whether the Board will be taking action on the plan at this meeting or not.

The NDUS responses indicate a fall 2014 implementation date for the new fee procedures. Upon completion of the fees for merger study, the chancellor will determine which of the fees should be involved in the merger. Ms. Glatt said it would her preference to go with a fall 2015 implementation; however, the chancellor is very motivated to implement this plan by the fall of 2014.

Ms. Glatt said there are two separate issues regarding fee balances.
1. What do we do with the current funds? NDSU and UND are over the set threshold, possibly return those funds to students by rolling back the fee amounts.
2. How do we handle fees in the future?

Ms. Glatt asked the group for any comments or concerns, and reminded them that given their campus staff will have to do the majority of the preparation, their feedback is important.

In response to a question from Mr. Clark, Ms. Glatt said the system office will try to provide guidelines and/or directions for implementation this fall.

Ms. Brekke asked when we may expect to see some reconciliation in the timelines. Ms. Glatt responded that it will depend on when the SBHE approves the Three-Tier Access Plan and she doesn’t foresee that happening until the November 2012 board meeting. Ms. Glatt encouraged everyone to prepare for a fall 2014 deadline regarding the new tuition model and student fee collections.

Ms. Glatt said in regard to those fees that are ‘standalone’ moving forward, the expectation is that campuses will be able to track revenues and expenditures of those revenues by funding sources. She asked Mr. Pytlik how ConnectND may be helpful for this task. Mr. Pytlik said they
are trying to come up with a solution to these issues and had the following suggestions for tracking fees independently when in the same program code:

1. When a special fee has a significant purpose, set up in separate fund.
2. Use a program code (not the preferred method). However, only one program code can be used per transaction.

Ms. Glatt and Mr. Pytlik presented a draft procedure on Accounting for Fees That Are Commingled in the General Ledger (08/21/12)

There was more discussion regarding the course fees, how these revenues should be separated out and how to track them. Mr. Foisy expressed his concern that the group may be getting “off the mark” and he feels we should be able to come to some form of middle ground at this point. He noted, as did others, that there are instances where several sources of revenues, including fees, are used to support certain activities, and it is not feasible to dissect all expenditures by revenue source, athletics would be a good example. Ms. Glatt agreed and suggested that we adopt this model/plan as a concept. She said there will always be those few fee revenues that can’t be broken down and the legislators should be able to understand this. Mr. Foisy added that he feels the auditors may be overstepping their scope of governance and essentially micromanaging the institutions and they are imposing a large administrative burden with these plans.

It was agreed that Ms. Glatt will take these concerns to Dr. Shirvani and in the meantime, this group will work on the fee review to be completed on target. Following that, we can take a look at the remaining fees to determine the best way to handle those.

SBHE Committees – Meeting Schedule and Process
Ms. Glatt explained that the SBHE has abolished all existing board committees and established three new ones: executive committee, academic committee and audit committee. The committees will meet in the morning before each SBHE meeting to discuss their respective issues. Items discussed by these committees will generally not go before the board until the next scheduled meeting. The intention is to only have board meetings every other month starting in 2013. In response to a question from Ms. Brekke, Ms. Glatt said she understands that most consent agenda items will not require the review of a committee. Also, the chancellor will have interim authority to approve some items in between board meetings. Ms. Glatt also cautioned that this chancellor prefers to have time to review all information presented to him prior to making a decision so adequate lead time will be required for review and approval and placement on SBHE agendas.

Communications – Cabinet and Council Roles
Dr. Shirvani wants to have all major issues, including policies to start with the cabinet first, and the presidents will responsible to communicate with their administrators, faculty and staff on their campus, gather input, and provide their feedback to the chancellor. Ms. Glatt said they are going through an analysis of all committees and councils throughout the system to determine which ones need to be continued. Those remaining committees will not have decision-making authority, their role will be advisory, implementation and information.
Interim Higher Education Committee
Ms. Glatt said the Interim Higher Education Committee will have one more meeting in September, at which time they will take any final action prior to the 2013 Legislative Session.

At the July 26, 2012, LAFRC meeting, there was discussion regarding the Fee Performance Audit report and how the auditors arrived at some of the recommendations. The committee members also discussed the use of “shadow systems” within the NDUS and indicated an interest in more detailed information. Ms. Brekke said it would be helpful to have a more clear definition of what they consider “shadow systems.” Mr. Thursby will talk with the presidents regarding the NDUS response to the use of “shadow systems.”

Update on SBHE Efficiencies Initiatives
Mr. Pytlik gave an update on several of the SBHE Efficiencies initiatives.
  - Lecture Capture – Contract is in place and all campuses are set up. The contract allows for 50,000 hours of recordings systemwide, with additional costs if that's exceeded.
  - Document Imaging – Recommendation was accepted by SBHE at their June meeting. We are working to schedule a meeting with Perceptive Software to lay out the overall plan and next steps.
  - LMS – Final recommendation to the SBHE was delayed until later in the fall to allow for more faculty input.
  - Unified Communications – Work continues on the plans for Unified Communications

FAMIS implementation – Mr. Pytlik said some time ago, the FAMIS governance group brought a request to implement the FAMIS capital project module to the Administrative Affairs Council, but it was not supported at that time. The FAMIS governance group is once again asking this council to review the module, as the NDUS now has credits with the FAMIS and there would be no cost to the campuses for the consultation process associated with implementation. Ms. Hegstad recalled that the primary concern at that time was the cost. According to Mr. Pytlik, if the intention is to use the capital project module uniformly across the system, it would be a huge programing undertaking. It was noted that there is no requirement from ConnectND that all campuses have to use it, if/when it would be implemented. In response to a question from Ms. Glatt, Mr. Pytlik said there are no significant interface costs. Ms. Lucke said she believes this could be a valuable tool to track capital project costs and feels that if we can get it now and with no consultation expense, she would recommend we consider it. Mr. Pytlik said no other pending CND projects would have to be set aside in order to implement the FAMIS capital project module. Mr. Bollinger said FAMIS has a very useful tool for NDSU in tracking their capital projects. It was agreed that this group recommends implementing the FAMIS capital project module with the campuses having the option to use it at this time; however, no one is being required to use it.

Mr. Clark asked if the Legislature does not fund the 30 additional NDUS office positions that have been discussed, would the costs associated with new staff members be assessed to the campuses? Ms. Glatt replied that, given the recent assessments for the auditor and legal positions, it may be possible. Ms. Glatt encouraged the group to share any concerns with their president.
Meeting adjourned at 2:25 p.m.

Future Meetings
October 9, 2012
November 20, 2012