Administrative Affairs Council Minutes  
October 9, 2012 – 9:30 a.m.  
Swanson Hall, Meeting Room 17  
University of North Dakota

Participants
Dave Clark and Tamara Barber – BSC  
Mark Lowe – DSU  
Corry Kenner and Joann Kitchens – LRSC  
Steve Bensen – MaSU  
Brian Foisy, Jonelle Watson and Robin Hoffman – MiSU  
Kara Bowen – DCB  
Mike Renk and Keith Johnson (via telephone) – NDSCS  
Bruce Bollinger, Karin Hegstad and Cindy Rott – NDSU  
Alice Brekke, Peggy Lucke, Janelle Kilgore and Cindy Fetsch – UND  
Doug Dawes – VCSU  
James Foertsch (via telephone) – WSC  
Laura Glatt, Mick Pytlik and Cathy McDonald – NDUS Office

Pathways to Student Success Plan  
The Council reviewed the current status of tuition model, waivers and dual credit rates as outlined in the plan, and discussed implementation details.

Council members raised questions, concerns and/or asked for clarification on the following questions:

- What is the timeline for developing and submitting new rates to the NDUS Office?
- It was noted during the tier meetings that there would be another set of tier meetings in early November. Have these been scheduled and what is their purpose?
- Sufficient time is needed to perform adequate due diligence to minimize unintended consequences. Examples include: financial aid packaging, NCAA requirements
- Are courses going to be bundled into programs and tuition bands based on subject matter (e.g. English, Nursing, etc.) such that the per credit hour rate may vary during a term when a student takes courses that cross subject matter? For example, student would be assessed the low band rate for four general ed courses taken, but a high band rate for the nursing course taken. Or, is the higher rate charged for the professional level program course only charged when the student has been admitted to the program? In the example above, the student would pay the general ed rate for all courses taken during the term, including the nursing course, unless the student had been admitted to the nursing program. Another question was if we charge by program, will the student be assessed the higher program rate for all courses, including general eds?
- It was suggested and agreed to that the initial tuition and fee analysis include a comparable review of distance delivery courses and rates, whether delivered on-line or otherwise, to determine whether the same model can be applied to on-campus and
distance delivery. This will also permit the campuses the opportunity to simultaneously evaluate revenue impacts across all delivery modes.

- It is important to ensure that the administrative software system can adequately and appropriately support the new model(s). Laura said this is being reviewed at a high level, and Alice asked that a process be defined and communicated to campuses about how campuses can seek input from CND about more detailed implications.

- Laura said she would forward more recent CND reports on student credit hour load. It was suggested that the reports also be run excluding continuing ed, since at some campuses they have not been subject to the 12-hour cap and as such, revenues for continuing ed will not be impacted by the move to per credit hour.

- If the agreement with Minnesota is eliminated, would the rate be limited to the MHEC rate?

- With regard to any possible changes to the Minnesota agreement, it is important to also consider the potential impact that may have on North Dakota residents interested in attending a Minnesota campus.

- Generally, the intent is to attempt to come to similar tuition (and blended fee rates) within each tier.

- There may be limited exceptions to permit the retention of some separate program fees, where appropriate.

- There was some question about whether the dual credit rate, whether the course is taken on campus or in the high school, would be assessed the regular on campus rate. It was also suggested that two defined and uniform rates should be set (sponsored and unsponsored) and posted.

- The dual credit rate, like the on-campus model, should be inclusive of fees.

- Laura said the Chancellor directed the Cabinet to make Native American student waivers a top priority within the five percent limit. Several questions were raised:
  - Undergraduate or graduate students, or both?
  - What is the definition of a Native American?
  - Only new students or also currently enrolled students?
  - What is the effective date?
  - What about SAP requirements for waiver continuation—do these apply?
  - Waiver of tuition or tuition and fees?
  - Are these guaranteed waivers?
  - Full or partial waiver?
  - Campuses receive special grant funding, part of which can be used to fund scholarships for under-represented groups; mandatory waivers may limit usage of the grant funding.

- It was pointed out that there may need to be special rates for sponsored programs. Laura indicated that it will be important to define these exceptions on the front-end and address in policy.

- For tuition waivers, it was suggested that the base for calculations of the five percent limit be gross tuition revenues, not net tuition revenues, since the difference between gross and net is waivers.

- A concern was raised about basing the five percent limit calculation on last year’s revenues, as actual FY revenues will not be finalized and known at the time the waiver
budget needs to be set. As an alternative, it was suggested that the current year revenue projection be utilized.

- Since the waiver limitation applies to undergraduate students, the calculation base will need to separate undergraduate from graduate revenues.
- It was noted that waiver descriptions and waivers in CND will need to be modified to remove the reference to cultural diversity. It will be important to separately account for Native American waivers separately if mandated, and also to define underrepresented groups. Does the latter include financially needy students?

It was agreed that the campuses would continue to meet by tier to develop a common model and rates. Laura noted on the development of the dual credit rates, both the two year and four year campuses will need to be jointly involved to arrive at one uniform rate(s).

Laura said she would send out more information about the timelines and expectations following clarification from the Chancellor.

**NDUS Action Plan on Fees Performance Audit**
The Council reviewed the SBHE approved project and related timelines. Laura said that it is expected that campuses will complete their initial review of fees for merger by the end of CY2012. This will be reviewed by the System Office. Laura said a reporting format would be sent to the campuses.

Laura said that the System Office will define the criteria or parameters of which current fee balances will be subject to review. She said that CND has provided a report on fees and balances that will be helpful in narrowing and focusing the review. This will be sent to the campuses as guidance as soon as complete, and in the meantime, campuses should continue to work on fee review.

**OMB Budget Hearings**
The Council reviewed the information provided by OMB about the upcoming budget hearings. Laura indicated that the campuses follow the OMB requested format, and that there are no other defined Chancellor expectations.

In response to a question, Laura said that Cathy had developed cost estimates for a 4/4% compensation increase for 13-15, similar to that recommended by the state employee compensation committee. Cathy said in the 4/4% calculation, the transition of distance ed from DCE to institutional collections at NDSU and MiSU and equity funded positions, had been included in the calculation. She is also working on cost increases related to the health insurance costs. These figures will be shared with the campuses in advance of the OMB hearings. In response to a question, Laura said the estimate is being developed assuming full state funding responsibility for both the historical state/student share, consistent with the 13-15 biennial budget request.

**New GASB Pronouncements**
Laura said there are four new GASB pronouncements that require research and analysis to determine what impact, if any, they have on the NDUS campuses. She indicated that she would
like the support of the Council to form work groups from the Controllers/Accountants group around each GASB pronouncement to research, analyze and develop common implementation guidelines for measures, as appropriate. It was agreed to move ahead and Robin will work to create the work groups.

2013 Legislative Bill Drafts
The Cabinet had been informed earlier that any proposed SBHE sponsored legislation will need to be submitted to the NDUS Office by October 31st.

LAFRC Agenda-Shadow Systems
The upcoming LAFRC agenda calls for a report by the State Auditor’s Office about accounting controls over fees, and a report from the NDUS on shadow systems. Randall has asked that campuses submit to the NDUS Office a copy of the shadow system report that must be submitted to the SAO as part of the annual audit. It was suggested that a clear definition of shadow systems (what is and what is not a shadow system) be communicated to legislature. Furthermore, that it be clearly understood what the SAO report includes and what it may not include.

Staff Changes
Laura reported on recent staff changes in the NDUS Office, and asked for campuses to be patient during this transition as limited staff time is available.

Future Meetings
November 20, 2012