Administrative Affairs Council Minutes  
November 5, 2012 – 2:00 p.m.  
Conference Call

Participants
Dave Clark and Tamara Barber – BSC  
Mark Lowe and Bill Ament – DSU  
Corry Kenner and Joann Kitchen – LRSC  
Steve Bensen – MaSU  
Brian Foisy – MiSU  
Kara Bowen – DCB  
John Richman, Mike Renk and Keith Johnson – NDSCS  
Bruce Bollinger and Karin Hegstad – NDSU  
Alice Brekke and Cindy Fetsch – UND  
Doug Dawes – VCSU  
James Foertsch – WSC  
Laura Glatt, Cathy McDonald and Deanna Dailey – NDUS Office

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

Pathways to Student Success Tuition Model and Fee Performance Audit Plan
On Friday, November 2, Ms. Glatt emailed two documents to the listserv for today’s discussion:  
1.) Timeline for Fee Review and Completion of Tuition Rate Development, and 2.) Accumulated Fee Balance Review Fee Summary. Just prior to the meeting, she emailed an updated version of the fee summary spreadsheet.

Ms. Glatt said she’s received some questions regarding the timeline and rather than responding to each of them individually, she’s incorporated the questions into the timeline document (color coded) for discussion. The questions are in blue text and the responses in light green.

Initial Proposed Resident Per Credit or Flat Base Rate (due 12/31/12)
Campuses are to submit initial proposed resident per-credit or flat “base” rate by December 31, 2012. “Base” rate is defined as lowest agreed-upon common resident tuition rate by tier (excluding all fees, including program, course and class fees), for core discipline/general education classes, etc. Concerns were expressed by the group about their ability to accomplish the work on a timely basis and with sufficient due diligence Ms. Glatt said she has shared concerns about the timeline with the Chancellor previously. While she believes he does understand the campuses’ concerns, Ms. Glatt said he wants to be able to demonstrate meaningful progress going into the 2013 Legislative Session Campuses cautioned about public disclosure of preliminary rates submitted in December, 2012, as they will likely need to be refined over time, before finalization. She said if presidents have concerns about the process or timeline, they should pursue this with the Chancellor.
In response to a question from Ms. Brekke, Ms. Glatt said the initial per-credit or flat base rate to be submitted by December 31st applies only to undergraduate rates.

Dr. Richman asked if the tier groups are to be working on calculating these base rates, or if the System Office is going to coordinate those discussions. Ms. Glatt said the Chancellor was very clear that he wants the campuses, under the leadership of the campus president, to get together and work out the agreed-upon rates. The System office will not be coordinating those meetings. Ms. Glatt said that based upon her most recent conversation with Chancellor Shirvani to clarify the difference between cost neutral to the student and revenue neutral to the institution, rates should be set to be as cost neutral to the average full-time student, as possible.

The group discussed a number of concerns they have with the potential loss of revenue they anticipate due to the transition to the new rate plan. Mr. Kenner asked if there can be a different separate credit hour rate for part-time students than for the full-time students. Ms. Glatt cautioned that while she believes the Chancellor is trying to be sensitive to the campus input and remain flexible, the point of transitioning to a new model was to simplify, more consistent and more transparent. The more variances we introduce, the more complex it becomes for students and parents.

Mr. Foisy said he believes there is a mathematical certainty that they will lose tuition revenue under this new plan and asked if there would be any benefit to running the numbers and then sharing the result with Dr. Shirvani. It was also noted that the potential revenue impact is even greater as campuses work to arrive at a common rate among the tier group. Ms. Glatt said the chancellor is very data-driven and suggested they prepare the calculations and discuss the results at their next tier meeting. She reminded the group that the Chancellor has been very clear about not adjusting rates, at this time, to avoid revenue changes. Tuition rate increases will be a separate consideration and decision. However, she reminded the council that the Pathways Plan and the timeline have been approved by the SBHE, so it’s important that we identify the actions necessary for implementation.

**Review and Analysis of Fees for Merger (due 12/1/12)**
Regarding the review and analysis of fees for merger, Ms. Glatt clarified that this refers to program, course, class and any other non-mandatory fees. Ms. Glatt said for this preliminary review, the System office will run a list of fees and distribute to the campuses. Upon receipt, each campus will need to indicate whether each fee is going to be merged or not with tuition under the new model. This tentative information is to be submitted by December 1, 2012, allowing the System office staff adequate time to complete their portion of the analysis prior to the December 31, 2012, SBHE deadline.

**Review of Accumulated Fee Balances (due 12/1/12)**
Ms. Glatt said that under the Fee Performance Audit Plan, a review of accumulated fee balances is required. She said the Chancellor has agreed to limit the review to program, course and class fees only. She indicated that she has further narrowed the fees for review based on the following criteria:

- Fees with a ratio of less than 25% based on 6/30/12 fee balance compared to annual estimated collections. Ms. Glatt said that for this purpose, she assumed that the fees were
collected for two semesters. While she acknowledged that may not be the case in all instances, she said she assumed it to be the majority of the time.

- Fees with a 6/30/12 accumulated fee balance of less than $5,000 were removed.

Several of the participants said there are discrepancies with the figures in this spreadsheet as it relates to the specific fee amount. Ms. Glatt said that information was not used in the calculation and evaluation and any resulting changes would not change the list for review. She indicated that campuses should update that information, as necessary. In response to a question about fees that are still on the list, but are mandatory fees, Ms. Glatt said she only removed those where the description was clearly noted as mandatory. If there are others that need to be removed, this should be communicated.

In response to a question from Dr. Richman regarding the basis for the $5,000 threshold, Ms. Glatt said the $5,000 threshold was based on a judgment of what may be considered material. Dr. Richman requested a change from $5,000 to $10,000 for the purposes of this report. Ms. Glatt said she will discuss with the Chancellor, and send a revised report, as necessary. Ms. Glatt said campuses will be asked to explain, for each listed fee, how they intend to (or have) spent the accumulated funds in support of the students and purpose of the fee; and, whether some needs to be held in reserve, and if so, how much and for what purpose. She said the intent is to use the accumulated balances in support of students and programs that paid the fee, unless it is necessary to retain a portion, which must be adequately justified.

*Dual Credit Rates (due 2/1/13)*
The two-year and four-year campuses offering dual credit courses are expected to reach agreement on a common dual credit rate. Ms. Glatt said it is her understanding that students physically taking dual credit courses on a college campus would pay the “standard” resident on-campus tuition rate, the same as all other students. However, when the courses are offered off-site, a standard dual credit rate would be assessed, unless a separate arrangement has been reached with the school district to subsidize part of the cost. In that case, a different “subsidized or partnership” rate may be established.

*Other Unblended Tuition Rates (due 2/1/13)*
The deadline for campuses to submit other proposed unblended tuition rates (e.g. medium, high), as appropriate, excluding fees is 2/1/13. These should be common rates within tiers, to the greatest extent possible. The research institutions are not likely to have low, medium and high tuition rates, but would likely have differential rates according to program. There is an expectation that where programs are common, institutions should have common rates.

*Proposed Blended Tuition Rates (due 3/30/13)*
Ms. Glatt said that up until this point in time, proposed tuition rates submitted exclude blending of fees. This is the point in time where blended rates, including both tuition and fees, are to be submitted.

*Review of all Non-Mandatory Fees (due 5/1/13)*
The NDUS must complete a review of all non-mandatory fees by June 30, 2013, under the SBHE approved fees performance audit plan. These fees will be the stand-alone fees that remain after
all others have been identified for merger with tuition. Campuses are asked to submit their data to the System office by May 1, 2013. More information will be forthcoming on this review later.

**Final Rates (due 7/1/13)**

It is expected that all 2014-15 rates, both on-campus and dual credit, be finalized by August 31, 2013 for public announcement during the Fall 2013 term.

According to the implementation timeline, SBHE policies will need to be reviewed and finalized to incorporate the changes in tuition and fees by December 13, 2013.

Campuses are also expected to ensure that proper accounting controls are in place over the revenues and uses of fees.

Ms. Glatt said it is her understanding that at the next SBHE meeting, the Board will be taking action on a request from MiSU to grandfather in current students at the tuition rate they are currently paying – the resident rate – for a period of four years.

Ms. Glatt asked for input on how the System office can help campuses with the implementation as outlined. Hearing none, she invited the group to contact her directly with any additional questions or concerns.

Meeting adjourned 2:58 p.m.