Administrative Affairs Council Meeting  
July 22 & 23, 2013  
UND Campus

Participants:
Dave Clark and Tamara Barber-BSC  
Corry Kenner-LRSC  
James Foertsch-WSC  
Alice Brekke, Peggy Lucke, Sharon Loiland, Chelsea Larson, Dawn Pladson, Odella Fuqua,  
Cindy Fetsch, Lisa Heher-UND  
Bruce Bollinger, Cynthia Rott and Karin Hegstad-NDSU  
Dennis Gladen and Keith Johnson-NDSCS  
Tad Torgerson-DSU  
Steve Bensen-MaSU  
Brian Foisy-MiSU  
Doug Dawes-VCSU  
Kara Bowen-DCB  
Laura Glatt, Cathy McDonald, Lisa Feldner, Mick Pytlik, Tom McNaughton, and Teri Thorsen-NDUS

CND Updates
Teri Thorsen provided an update on:

- **Manager Self Service** – The campuses had previously identified the implementation of workflow for “termination” and “onboarding” of employees as their top priorities. SITS has been working with a pilot group (UND, NDSU, BSC and SITS) on the “termination” project, which will accelerate the timing to remove access to services on campus for terminated employees. Teri asked for assistance from the group to help campus staff envision the change to a more streamlined approach, and in making the distinction between approval and reviewer functions. Peggy Lucke suggested that you need to include people at a higher level than the user groups to assist in this effort. Termination process will roll out to the pilot campuses by the end of July, and is targeted for availability to all campuses later this fall. The “onboarding” project will then begin with the same pilot group. This will require a significant change in business process from “just in time for payroll to just in time for service,” and will move the process (for new employees) from paperwork to online, which triggers other services, such as ID’s, parking permits, etc., and will be available to new employees immediately.

- **Segregation of duties** – While they have created one additional role “print checks” in HCM, many campuses don’t have enough employees to have someone different in each role. Auditors agreed to recognize compensating controls in these instances and a list of these compensating controls is being maintained by Robin. Better
training for HCM and finance access control is needed. HCM training has been completed and financial access control training will be later this fall.

- **Affordable Care Act** - Nothing to report on affordable care act since implementation has been delayed at the federal level. Laura noted that there are still a limited number of required actions in 2013, and will forward a list of those to Teri Thorsen who is coordinating this effort on behalf of the NDUS.

**Data Inconsistencies**

Teri Thorsen and Tom McNaughton led a discussion regarding the Data Inconsistencies Project. This project began with discussion in SITS – “how can we be more productive?” The items in the report are areas where SITS staff spend most time of their time, limiting amount of time that can be spent on system enhancements. The report was presented to the Cabinet earlier, and the Cabinet has asked the three major councils to make a recommendation regarding the priority order of the projects. After the three councils have prioritized, the list will be sent to Chancellor's Office for final prioritization.

A question was asked...how do campus priorities enter on the list, rather than this just being a list of SITS priorities. Other items from the campuses need to be added to the lists of the 3 councils and then prioritized. A specific example that was given was GL problems at year-end. Tom answered that SITS deals with issues in the following priority order: #1- Keep lights on (GL issues); #2 Federal requirements; #3-Other institutional requests. #1 trumps everything else being worked on. So GL issues, if identified, are already being worked on.

The top 10 priorities (included in a grid in the agenda materials) are M1, C1-C3, C5 C7 C8 C10 H6 and H7. M1 (Bio/Demo) is the overall top priority and must proceed now, the Council agreed.

The Council discussed the need for **up-to-date policy procedures manual/documentation and training**. Unless all campuses are using same set procedures/rules, the data inconsistencies will continue...need to have campus teams with user involvement.

**Code of Conduct Review**

Policy 308.1 was reviewed and Council members were reminded that the fraud hotline is available. Edie Bailey sends reports to the campus-identified contact and to the System Office (Director of Compliance at the current time).

**Policies 440-enrollment reporting and 830.1-student payment policy**

Proposed policy revisions were discussed. Changes are the result of an audit recommendation that pointed out inconsistencies between the two policies. A workgroup
of institutions with cross-representation was formed, with the goal to separate the enrollment reporting process from payment. Language that was added to 830.1 differentiates “compliance” by the institution with “due date” from compliance by the students and “payment date.” The Council agreed that Sections 5 and 6 needs to be revisited and the policy needs to reflect flexibility for exceptions approved by the institutions.

The changes were supported by the Admin Affairs, but will be forwarded to the Academic Affairs Council for review, before being forwarded to the Cabinet and SBHE in September. The plan is to implement the changes in the Spring 2014 term.

**Policy 840-Contract Review**

Tad Torgerson (DSU) questioned the need for all contracts to be reviewed by NDUS legal counsel, as it is slowing down the process. He and others stressed that Cynthia Goulet is doing great job and did not want in any way to imply that they are dissatisfied with her service, but understand her limited time and availability in serving multiple campuses. They asked if options could be considered to limit the number of contracts that require legal review. DSU suggested considering a dollar threshold. UND indicated that they are working on a proposal to UND Administration, as the policy references “Legal counsel or other designee”. Mick Pytlik indicated that the CIO’s are discussing the risk associated with the “click view” for free software. There was a suggestion to consider exempting common free license agreements, such as Adobe, from the approval process because the risk is minimal, if any. Laura said Cynthia Goulet indicated that campus service, speaker and lease contract templates are available for campus use, but you have to contact legal to get these templates as they are not available on the web. Also, renewal contracts that are substantially the same don’t need to be reviewed. Laura indicated she would pass the comments along to Claire Ness for consideration.

**Global Service Indicator**

Laura Glatt provided an overview of the new global service indicator procedure and said it is to alert a campus or campuses of students with delinquent accounts or who are suspected of fraud. There are two parts to the procedure: Student Finance which was developed by an inter-institutional work group, and financial aid which was developed by the financial aid directors. Alice Brekke asked whether this had been reviewed by Academic and Student Affairs. Laura said that following this meeting, the document would be routed to those Councils for review. The intent is to put this in place after Fall 2013 4th week enrollment reporting, so it can be properly communicated with students in advance of its effective date which would be Spring 2014 term. There were no suggested changes or concerns.
Motor Coaches
Peggy Lucke indicated that the motor coach issue is still not resolved. Claire Ness (NDUS legal counsel) had committed to sending 2 separate letters to NDDOT, but no one is sure if they have been sent. Several campuses indicated they are making arrangements for fall campus events that require motor coaches and are not sure how they should be proceeding. Laura will follow up with Claire.

A suggestion was made to approach Risk Management (RM) with asking for basic definitions for “business use” of vehicles. Currently, when campuses ask RM for guidance on specific uses, they give a gray answer...well, there MAY be some risk. Per Dave Clark, last RM call discussed this and were going to develop some scenarios to address the issues. Peggy Lucke will follow up with RM to get status (from the call Dave referred to) and then representatives from UND, MiSU, WSC and VCSU will get together to discuss further and possibly work on a proposal.

2013 Legislation
Laura reviewed the list of 2013 legislation affecting the NDUS.

2013-15 Funding Pools
Laura reviewed the 2013-15 funding pools. Council members made the following points:
   a. $10 million deferred maintenance pool;
      i. A campuses ability to deal with deferred maintenance is limited due to some of the funds being required to pay special assessments. This should be taken into account when distributing the pool funds.
      ii. Some campuses reallocated internally to address deferred maintenance in the past and they shouldn't be penalized for this effort.
      iii. Recommend distributing $5 million (half permitted in legislation) as soon as possible.
      iv. All campuses should receive some allocation.
      v. Appears to continue to make sense to use the OMB extra-ordinary repair formula for distribution of the funds, as it is a recognized statewide formula, and recognizes both facilities and infrastructure components.
      vi. The NDUS Office will develop options for distribution and discussion.
   b. $1 million master plan and space utilization study;
      i. Legislation references “systemwide master plan and space utilization study”. Do not believe that $1 million will be adequate to do both. Also, how does “deferred maintenance” fit? Alice Brekke said that space utilization study can validate what you are using space for
currently, and where should you be focusing in the future. There is an opportunity to benchmark against industry standards...what should a classroom look like? What should an office look like? UND had a limited space utilization engagement (limited to classrooms and labs) last year and they have learned a lot from the study, but much more to learn.

ii. Study should be “future focused.” “These are the kinds of buildings you should be building in the future at these locations, based on institutional mission.

iii. May need to do an RFI before an RFP to gain a better understanding and be able to appropriately define the RFP scope. Suggested visit with “experts” to determine what has been done elsewhere, including NACUBO. Laura will continue to include Rick Tonder-UND and Mike Ellingson-NDSU. WSC and NDSCS also volunteered to participate in the discussions.

c. $5,483,413 capital projects contingency pool;
   i. WSC has received 5% to date for their Campus Drive project.
   ii. There was discussion about how you determine the lowest “acceptable” bid
   iii. Since not all projects will be bid or completed at the same time, there was concern about a first come first serve basis for application of the funds. Larger projects may be disadvantaged, as they will take longer to complete. However, it did not appear that there was a viable option, other than first come, first serve.
   iv. There was a suggestion that the funds be prorated back to the campuses/projects. Alice indicated that from what she heard from legislators in the appropriation committee meetings, there is a clear expectation that there would be project savings. Simply returning the funds to the campuses/projects on a pro-rata basis would likely be consistent with legislative intent.
   v. Legislative authorization for all projects is the reduced amount that is included in each campus capital assets appropriation. Per clarification from Legislative Council, campuses will not be required to go to the Budget Section for any additional funding received from the contingency pool.
   vi. The consensus was that when the project scope is defined for bid purposes, it should be at the project amount less the five percent. The pooled funded could be considered for us for base bids that come in higher than expected or for potential alternates above and beyond the base bid.
vii. There was some discussion about increased construction prices in western ND and whether pooled funds should be used to address this need.

d. $5 million performance funding pool
   i. Unfunded pilot project approved by the Board in April 2012 to put in place during FY1 three measures: *fall to spring retention at initial institution, Fall to Fall retention within the NDUS, and number of students awarded degrees between July 1 and June 30 of each year.*
   ii. Go back to original 3 measures approved by the SBHE or something different? It was suggested that the measures will be largely academic and should be driven by Academic Affairs.
   iii. There was some discussion about IPEDS graduation rates. It was suggested it is not representative of success. Campuses get no credit for students who transfer in, but are penalized for those that transfer out to other institutions. It also does not take into account that some students come to school with no intention of graduating within a fixed two or four year period.
   iv. CND has indicated that the data for these three measures is readily available, accurate and consistent.

e. $4 million higher education oil impact funding appropriated to Land Dept
   i. According to Land Department the legislative intent is to distribute $2 million to WSC and $1 million each to DSU and MiSU. Those campuses have been asked to work together on criteria and budget plan for distribution.
   ii. Land Department does not intend to distribute funds until about December 2013/January 2014.

f. $29 million Education Challenge Fund
   i. Grant Review Committee members have been appointed, and committee is being chaired by Lt. Gov. Drew Wrigley. The Committee is the final authority for distribution of the funds. They are encouraging campuses to introduce concepts to the committee in advance of preparing a detailed proposal for approval.
   ii. Requires 2:1 match. Can include pledges but foundations must guarantee. If facility dollars are included, then those must conform to the system master and space utilization study.
   iii. Qtrly and final project summaries have to be approved by SBHE to forward to the Committee.

**Project Management Guidelines**
SB2003, Section 25 states: “During the biennium beginning July 1, 2013 and ending June 30, 2015, each capital project authorized by the SBHE must have adequate project management oversight by either an institution official or representative of an external entity. An institution may seek assistance from the university system office for project management oversight of a capital project.”

The Council reached consensus that projects that automatically meet legislative standard of “adequate project oversight” are those: 1.) that engage external construction management expertise (CM at Risk or CM Agency); or 2.) where the project architect contract specifically includes project management oversight responsibility; or, 3.) campus project manager is a licensed individual (architect, engineer, construction manager). For projects that do not meet the standards above, AIA modified project management checklist will need to be completed and submitted as part of SBHE project approval process.

Regarding building project management into the cost of the project, the conclusion is that if project management is a requirement, it becomes a project cost whether it’s internal or external, but should only include those who are “hands on” or are on site day to day.

A request was made to include a discussion of the pros and cons of CM at Risk or CM Agency at a future meeting of the Council.

**Interim Legislative Studies**
Laura reviewed the list of interim studies. The first Interim HE Committee meeting is scheduled for August 6 and the Chancellor and SBHE will update the Committee on several items. The committee has asked David Longanecker, WICHE to present some data at that meeting.

**Operating Carryover**
Bruce Bollinger provided information regarding the carryover/reserve decisions at NDSU. Factors affecting the targeted carryover include: need to improve financial ratios for accreditation purposes (HLC) and bond ratings (S&P and Moody’s); reductions, reorganizations and prioritizations, over the past 3 years to be more efficient; the need to deal with “what ifs”, such as enrollment declines, federal or other funding reductions; need to address deferred maintenance within their own resources, due to the backlog and inadequate base funding for deferred maintenance; and the changing dynamics with DCE, differential tuition and program fees that were previously local. If there is a significant reduction in enrollment/tuition revenue, the campus would need at least 3 months to determine how reductions would be made, while maintaining operations at the same time. NDSU based their targeted carryover on a 2-week pay cycle.
Laura asked if there should be a policy for all campuses, regarding carryover/reserves? Alice Brekke cautioned against unintended consequences of prescribing a set/standard percent in policy, and suggested there is a need for ongoing discussion and a look at best a practice. Bruce Bollinger, Dennis Gladen, Cindy Fetsch and Tamara Barber volunteered to work on this. Laura indicated that MNSCU has a policy on their website that could be reviewed as an example. It will also be very important to have an educational piece that helps describe the importance of having a carryover/reserve balance.

**Pathways to Student Success Plan**

Laura indicated that the SBHE wants to move forward with the Pathways Plan but recognizes that it may need some tweaking/fine tuning. The Council identified those parts of the Pathways Plan that need to be revisited:

1.) Common dual credit rate
   - Hold certain campuses harmless (LRSC, DSU)—freeze their rate until others catch up (minimize financial impact to certain campuses)
   - Clarify effective date of rate—Fall 2014 or Fall 2015
   - Update earlier agreed upon rate due to lapse in time
   - Clarify and define dual credit vs. early entry (verify enrollment reporting)
   - Prepare comprehensive document that addresses: definitions, delivery modes, rates, reporting, faculty credentials, campus responsibility, etc.

2.) Tuition Model
   - UND and NDSU need to discuss and reach agreement on 15 credit cap
   - Need to reconsider common rate within tiers, as new state funding model does not support that tuition model
   - Plan originally called for a later study of distance education tuition and fee rates; consensus is to address along with on-campus rates and implement a comprehensive plan by Fall 2015. This needs to include clear definitions of distance education.
   - Reconsider rate categories and factors (Possibly):
     - 4 and 2 year campuses: 1.75 out-of-state and international \( \rightarrow 1.5 \) out-of-state and 1.75 international (makes all out-of-state rates, regardless of state, the same)
     - UND/NDSU: 1.75 out-of-state and international \( \rightarrow 1.5 \) out-of-state and 1.75 international (makes all out-of-state rates, regardless of state, the same)
     - UND/NDSU: 1.50 contiguous states and Canadian provinces \( \rightarrow 1.25 \) (makes contiguous rate at UND/NDSU similar to all other campuses)
3.) Waivers

- Statutory waivers, including military and Native American, be considered in addition to five percent waiver limitation instead of being considered part of five percent waiver limitation (statutory waivers are beyond the institution’s control)
- Base five percent limit on current year’s projected tuition revenues, as opposed to last year’s tuition revenues (will not have actual full year data available at the start of the FY)
- Why five percent set as the limit?

In general, there is a need to update documents and ensure review of complete detailed information by the Council.

Student Fees Performance Audit

Regarding the status of Student Fees Performance Audit, Alice Brekke indicated that there are parts of the audit that have policy implications. Cindy Fetsch and Karin Hegstad agreed to review the policies and make recommendations for change.

Council Role and Operations

Council role, operations and communications were discussed. During the past year, the operating style changed significantly. The intent is to return to the old practice where issues primarily filter from the Councils up to the Cabinet. That is not to suggest that the Cabinet cannot initiate issues. It also assumes that the Cabinet and/or SBHE are the final authority, not the Council. Regarding frequency of meetings, a calendar will be sent to meet at least once per month, most by phone but at least meet face to face once per year. Monthly meetings will be cancelled if not needed.

The acting Chancellor has asked for flowchart of how information flows and how decisions are made. It was acknowledged that the role of the Council is to provide information to and/or advise the Cabinet on issues, including decisions where consensus has not been reached.

Other comments/suggestions:

- Make sure appropriate levels are at least copied on requests from the System Office.
- Cross functional conversations with other Councils would be helpful on some issues.
- If moving on with Pathways, are there some discussions that are more productive just within the tiers.
- Set goals for the Council during the annual retreat; develop smaller work groups with regular reporting back to the group with progress and/or concerns. Assign chair of each.
- Council members need to make commitment to be fully engaged and not have everything land on shoulders of Laura Glatt.
• On posted “Due Date” document, will add follow up items from the retreat with some estimated timelines.

**Presidential Salaries**
Laura reiterated that President’s FY14 salaries have not yet been set, but when done will be retroactive to July 1.