Participants
Dave Clark and Tamara Barber – BSC
Kara Bowen – DCB
Mark Lowe – DSU
Corry Kenner – LRSC
Steve Bensen – MaSU
Dennis Gladden, Keith Johnson and Dallas Fossum – NDSCS
Bruce Bollinger, Mike Ellingson and Cindy Rott – NDSU
Alice Brekke, Cindy Fetsch, and Peggy Lucke – UND
Brian Foisy-MiSU
Doug Dawes – VCSU
Laura Glatt, Cathy McDonald and Terry Meyer – NDUS Office

Absent:
James Foertsch - WSC

2013-15 Deferred Maintenance Pool Allocation
Ms. McDonald reviewed options for distribution of one-half or $5 million of the 13-15 deferred maintenance pool. Some of the options support the position of the Council as discussed in July as follows: allocate using the OMB extraordinary repair formula; all campuses should receive some funding, so a minimum allocation would be appropriate; and, base extraordinary repairs funding should take into consideration that some campuses have to use a portion of those funds to pay special assessments to the city on property not owned by the campus. Ms. Glatt said that Option #4 is most consistent with these principles.

Mr. Clark pointed out that BSC must use over 50% of its extraordinary repair formula funding to pay special assessments, leaving a negligible balance each year to address repairs and maintenance projects.

Ms. Brekke also expressed concern that UND keeps getting short-changed in these allocations. When Ms. Glatt noted that the model brings all campuses to the same percentage of formula funding, Ms. Brekke acknowledged, but pointed out, that UND also did not receive operating fund increases in the 13-15 biennium under the new higher education funding model.

Mr. Foisy asked for a clarification on the OMB formula. Ms. Glatt responded that there are two parts to the formula: (1) facilities, which is funded at two percent of insured value for buildings five years of age or older; and (2) infrastructure, which is based on straight line depreciation of replacement value of each unique infrastructure component. She pointed out that in the case of BSC special assessments, BSC is using funds derived from the extraordinary repair formula to
make special assessment payments, even though the value of that infrastructure is not included in BSC’s inventory or valuations, since it is owned by the City.

After further discussion, it was the consensus to recommend Option #4, with the exception of UND, who opposed Option #4. UND was invited to forward to Ms. Glatt an alternate recommendation they could support.

**Capital Contingency Pool**

Ms. Glatt reviewed the proposed guidelines as follows:

Proposed allocation criteria:

- All projects must be designed and bid based on the reduced project amount (original project amount less 4.45%/2.17%). (Five percent (or 2.5% for SOMHS) is reduced by overall $1 million legislative reduction and $90,000 already allocated to WSC Campus Drive project)
- For fiscal year 2014, campuses (excluding the SMHS) may request an allocation from the capital projects contingency pool, up to a maximum of 4.45% of the legislative appropriation for that project, if the lowest acceptable bid exceeds the legislative appropriation provided for the project. The SMHS may submit a request for an allocation from the capital projects contingency pool, up to a maximum of 2.17% of the legislative appropriation for that project, if the lowest acceptable bid exceeds the legislative appropriation provided for the project.
- The NDUS Office will consider and review each individual project request as submitted, with the Chancellor making an allocation recommendation of between 0-4.45% (2.17% at SOMHS) to the SBHE, who has the final allocation authority.
- At the end of fiscal year 2014, the allocation criteria will be re-evaluated based on remaining funds, and adjustments to the process may be made, as necessary.

Ms. Glatt asked if there were any suggestions for change to the guidelines or concern before they are moved forward to the Chancellor’s Cabinet and SBHE. Mark Lowe asked why DSU’s Theodore Roosevelt Center isn’t eligible to access the pool funds and Ms. McDonald explained that this project, along with UND’s Skywalk, isn’t eligible since these projects were not reduced by 5%, likely since they are not 100% state funded. The Council supported moving the guidelines forward for approval.

**Project Management Oversight**

Ms. Glatt reviewed the project management oversight criteria to comply with new legislative requirements. She said they were modified following the July Council meeting, incorporating suggestions from the Council. Under the proposed draft, campuses would be deemed to automatically meet the “adequate” project management oversight requirements if they utilize a CM building approach, or project oversight is provided by a licensed professional (architect, engineer, or construction manager). If neither is applicable, the campus would have to complete and submit for approval the abbreviated AIA checklist at the time the project is approved by the SBHE.
Bruce Bollinger suggested the draft be amended to expand the automatic provision to include someone who has a bachelor’s degree in architecture, engineering or construction management. Other members supported this change.

With the noted change, the Council supported moving the draft forward for approval.

Ms. Glatt acknowledged Rick Tonder for his assistance in developing the checklist.

**Interim Higher Education Committee**
Ms. Glatt reported that the Interim Higher Education committee meets Sept. 24 and chair of the committee, Representative Sanford, said the focus of the meeting will be finance. Ms. Glatt said she visited with him and he does have some specific items that he wants covered, but also said if there are others items the University System wants to cover with the committee, we should feel free to present those ideas to him for consideration. Rep. Sanford also suggested that if the NDUS has suggested changes to the funding model, state statute, etc. they should feel free to address these with the committee as well.

Chancellor Skogen asked presidents to volunteer their staff to assist with this project, and Mr. Foisy and Ms. Brekke were volunteered. Ms. Glatt reviewed an outline of the Sept 24th presentation with the Council, for purposes of seeking their input.

It was suggested that under the “on-line” topic, we make the point that a blended single on-campus and on-line rate will have an impact on the traditional on-campus rate. It was also suggested that we address proposed changes to dual credit under the Pathways Plan.

Ms. Glatt asked the group to review the draft outline and forward suggestions to her before Monday. She intends to distribute the draft outline to Rep. Sanford on Monday, August 26.

Ms. Glatt said a PowerPoint presentation will be prepared and shared with the Council for its review prior to finalization.

**System-wide Master Plan and Space Utilization Study**
Ms. Glatt updated the group and indicated that determining an overall direction and scope is taking longer than expected. The Administrative Affairs Council subcommittee did have a brief conversation with someone from NACUBO in late July. She said she has also reached out to counterparts throughout the country to discuss their practices and experiences. She has also started visiting with vendors. She wants to be able to better formulate expectations and goals for this process before issuing an RFP. She went on to say that there is a possibility to get both the master plan and space study completed within the $1M, but it would be a 1+ year process.

Ms. Glatt will continue to gather information, develop options and share them with the Council for input.

Mr. Clark asked if Legislative Council determined the study is required. Ms. Glatt said that the legislative record provided by Council is pretty clear about the legislative intention to complete the study.
Mr. Dawes asked if the campus should move forward with its own campus master planning process. Ms. Glatt said she believes the campuses should wait to start their planning process, until a better overall sense of direction and outcomes for the systemwide plan is defined. It is important these plans dovetail.

Meeting adjourned at 4:55 p.m.

Future Meetings
September 10, 2013
October 15, 2013
November 19, 2013