Administrative Affairs Council Minutes  
May 6, 2014 – 9 a.m.

Conference Call - NDUS Office, 10th Floor Capitol Building

Participants
Tamara Barber and Mary Eisenbraun – BSC  
Kara Bowen – DCB  
Mark Lowe – DSU  
Corry Kenner – LRSC  
Steve Bensen – MaSU  
Dennis Gladden – NDSCS  
Bruce Bollinger, Mike Ellingson, and Cindy Rott – NDSU  
Alice Brekke, Peggy Lucke, and Cindy Fetsch – UND  
Brian Foisy – MiSU  
Doug Dawes – VCSU  
James Foertsch and Laurie Furuseth – WSC  
Laura Glatt, Cathy McDonald, Robin Putnam, Mick Pytlik, Tom McNaughton, Angela O’Leary, Rick Tonder, and Deanna Dailey – NDUS Office

Ms. Glatt called the meeting to order. She said there had been a request to add “Fiscal Year End history file” to today’s agenda and asked if there were any other requests. None were expressed.

Other - Fiscal year end history file
Ms. O’Leary explained that during the April Student Finance (SF) User Group meeting, an inquiry was made as to whether they could have a Fiscal Year End history file created. This would ensure campuses have the data needed for Fiscal Year End reconciling and audit reporting with all data on the reports coming from the same time frame. Reports currently being run at year end are running minutes apart, resulting in data possibly being different between reports based on student payments that may be made and/or students adding or dropping classes. At no point in time are accounts within student finance static, they are constantly changing.

Since this request would require Campus Connection to be shut down for a short time, the same as they do for fourth week reports, it was suggested that the Council consider the request.

Ms. O’Leary reviewed a document outlining the issues, the pros and the cons of creating a new term type for Fiscal Year End history files. Of the four proposed Campus Solution options to capturing data, CTS supports option B, which is to “Lockdown the system, allowing specific campus personnel to run all necessary reports - accountability would fall back on the campuses.”

Ms. Glatt asked what the advantage is of having each campus running the report. Ms. O’Leary said it would be in coordination with each campus. Since she doesn’t work on a daily basis with this, Ms. O’Leary said she would need to have a much better understanding about what they want from the report. In addition, she will need more understanding of security with each and every campus before it can be opened up for report.
Ms. Lucke said she agrees with Ms. O’Leary, adding that it makes more sense that their student finance run the report, as they know what they need and how to submit it. The focus should be on making sure the GL process is successful and then be able to run student finance report. Ms. Barber concurred and stated that June 30 is a critical date for finance and accounting staff and to have them spend time finding differences is not the best use of anyone’s time.

Mr. McNaughton pointed out that we’ll only have one shot at this. If the institutions do it themselves, they will need to know exactly what they need.

In response to a question from Ms. Glatt about how long the system will to be shut down for this report, it should only be down for 6-8 hours. No other critical functions will need to be done prior to shutting down; however, we will have to make sure functions done on a daily basis are completed prior to running those reports.

Ms. Glatt asked if any of the campus representatives opposed using Option B. No opposition was expressed. Due to turnover in the finance staff at some campuses, Ms. O’Leary will put together a checklist for everyone to use so they know what to do for prep work prior to June 30.

Update on Facility Master Plan and Related Recommendations
Mr. Tonder reviewed a summary of the DRAFT Facility Master Plan, which will be presented at the May 9, 2014, Budget and Finance Committee meeting. The consultants will then share their findings with the Cabinet at their May 14 meeting.

The group discussed several of the recommendations, such as allowing the campuses more flexibility in the use of funding, whereby campuses can use funding sources not currently allowed by legislative restrictions (e.g., appropriated funding on auxiliary facilities and increasing the threshold levels of authorizations from $250,000 to $385,000. It was agreed that in today’s cost environment, $250,000 does not amount to a significant project. There was some discussion about requesting an increase in the level of threshold level of authorization from $250,000 to $385,000 and perhaps later, request the amount be increased to $500,000.

Ms. Glatt questioned the need for unlimited campus requests, based on the realization that there are limited funds. Ms. Barber stated her agreement with Ms. Glatt, and asked why the campuses are expected to prepare a project that they are confident will not be funded. Ms. Glatt said the Board does have criteria set regarding capital project ranking, then asked if the group if they feel more criteria should be identified. Because time is limited, Ms. Glatt and Mr. Tonder agreed that at least for this year, it is appropriate to use the current criteria for master plan improvement.

There was question about the consultant report about utilizing state appropriated funds for non-state appropriated projects. While several suggested this would be helpful, the political reality is that funds are not sufficient to do so.

Ms. Glatt said the NDUS has always tried to time capital projects around the Legislative Budget Section’s quarterly meetings but somehow, we have to help them understand that this is not always possible.
Mr. Tonder said that when ranking capital projects, safety deficiencies take priority. He added that he feels the building codes are not always being used wisely.

At this time, there were no further questions or comments. Ms. Glatt said this report will be discussed at the May 9 SBHE Budget and Finance Committee meeting, followed by the May 14 Cabinet meeting. Ultimately, the SBHE will be asked to review and approve the facility master plan report.

Update on TIAA-CREF Retirement Plan Oversight Committee
Mr. Lowe reported that a committee has been established. It is made up of two faculty representatives, two staff representatives, one representative of the Administrative Affairs Council, one HRC representative, NDUS legal counsel, the vice chancellor for administrative affairs (Laura Glatt). Jane Grinde serves as the staff person to the committee.

The first charge given to this committee was to prepare an investment policy statement, which lays out the responsibility of all parties, the NDUS office, the oversight committee, the investment manager, etc.

The committee will be recommending to the SBHE that the only participants eligible to receive revenue investment credit funds are those who were participating at the time and in the appropriate investment vehicles when the credit was earned.

Mr. Lowe also said some of the revenue credit funds are being set aside to help fund a part of Ms. Grinde’s salary for this function, legal assistance, and possible investment and other consulting.

Review of 15-17 Biennial Budget Request
Ms. McDonald and Ms. Glatt reviewed the NDUS 15-17 biennial budget request document that was distributed to the group prior to this meeting.

The group discussed the preliminary cost increase summary. One of the outcomes of the conversation was that we should be asking for 100% of what the NDUS and its institutions need to continue their current operations.

Ms. Glatt said work is underway with Bank of North Dakota to create a new GAP scholarship, which is intended to fill the gap between federal and an institutional financial aid for low to middle income students using resources from the Student Loan Trust Fund.

The cost-to-continue increase identified on line 56 ($579,250) does not include salary increases. That amount is just to change the state/student share at two-year campuses from 75/25 to 100/0. Mr. Bollinger asked whether there had been any consideration to expand this increase into the four year schools and/or research institutions. Ms. Glatt responded that the Cabinet members didn’t express any concerns with the limited two year campus request. She said Rep. Mark Sanford is very interested in continuing to improve the rates at the two-year campuses to bring them into better alignment with regional and national peers.
Regarding the emergency security request on line 30 of the handout, Ms. Glatt explained the three components that were included in this amount ($7,543,426), which are 24x7 campus security, system emergency and continuity of operations planning and other safety issues. In the 2013 Legislative session, the NDUS requested funding for 24x7 campus security but some campuses were not fully funded. This request is based on funding the balance.

There was discussion about requesting two FTE positions for continuity and emergency planning, including at DSU.

Mr. Foertsch said that security funding needs to be base funding, not one-time funding Ms. Barber agreed, adding that BSC is feeling some impact from the population increase, as well.

Discuss Roles and Membership of Various User/Working Groups and Relationship to Councils and System Office
Due to the time, Ms. Brekke requested this item be tabled until the next scheduled meeting.

Meeting adjourned at 11:02 a.m.