Ms. Glatt convened the meeting and asked council members if there are additional items to discuss, none were added.

**NDUS Space Utilization Study – Phase II**

Mr. Tonder reported that Rep. Mark Sanford has made it clear that space utilization information will be necessary for the upcoming legislative session. So, it will be important to continue the space utilization work completed by Paulien; therefore, a building inventory will have to be completed. Currently UND, NDSU, MiSU and NDSCS have completed or nearly completed their inventory, which accounts for nearly three-fourth of total space. The remaining campuses will have to complete a room inventory, for both Type I and Type II buildings by November 1. The goal is to complete the inventory and have it entered into the FAMIS software module so the information can be used as base inventory information for a third-party consultant to review and give us benchmark comparisons. The goal is to publish Phase II of the space utilization report by the end of the calendar year, prior to the 2015 Legislative Session.

In response to a question, Mr. Tonder said campuses who lease facilities, should include that information in their inventory, with special notation. It will be determined how to report it later.

The goal is to identify space that is being assigned to a department for instruction, for administrative purposes, etc.

Mr. Tonder was asked to talk about the later subsequent phase of a classroom utilization study. Classroom utilization is completely different from space utilization. Classroom
information will need to be gathered from the campus registrars and integrated with some of the information that will be in the FAMIS database.

**NDUS System-Wide Master Plan Implementation Update**

Mr. Tonder reviewed the implementation plan to address the Paulien recommendations. The draft will be reviewed with the Chancellor’s Cabinet Sept. 10 and presented to the SBHE at their Oct. 2nd meeting.

Mr. Tonder will distribute the draft document to the master plan group and campuses via email. Council members were asked to distribute it other personnel, as needed, for review and input prior to the Chancellor’s Cabinet discussion.

In response to a question on campuses developing new strategic plans by November 2015 as noted in the original draft document, Ms. Glatt said she will have to verify this with Ms. Sprynczynatyk, who is the strategic planner, but her understanding is that once the board approves the System Strategic Plan, campuses will be asked to develop campus alignment plans that align their strategic planning efforts with the board’s strategic plan. They will not be mandated to initiate an entirely new campus strategic planning process.

Ms. Glatt and Mr. Tonder will review the timeline and communicate any changes with council members.

**Common Data Definitions**

Ms. Glatt said Mr. Tim Carlson was invited to attend this meeting, but due to a scheduling conflict he wasn’t able to attend. However, she did say that she also asked him to provide his availability over the next two weeks so a special Administrative Affairs Council meeting could be scheduled to talk about common data definitions which he raised at the recent SBHE Audit Committee meeting. During that meeting, it was suggested that the NDUS have a common chart of accounts and use it consistently. Ms. Glatt noted that a common chart of accounts currently exists and is part of the NDUS accounting manual. Furthermore, she is not aware of inconsistencies, other than those raised in previous audits performed by the State Auditor’s Office. Lastly, it was suggested that the NDUS produce monthly financial statements. Council members expressed concern about the lack of information and resulting misinformation that was provided to the committee and suggested that a meeting with Mr. Carlson is important to correct that information and to better understand Mr. Carlson’s concerns and suggestions.

Ms. Glatt said based on a later discussion arranged by the Chancellor with Dr. Diederich there appeared to be agreement that monthly financial statements would not provide meaningful data in light of the complexity of statements. Instead, it was suggested that as the financial dashboard is developed we consider additional information, beyond or in place of data already provided to the SBHE Budget and Finance Committee that can further help the SBHE understand the financial health and status of each institution.
Council members suggested that reporting periods need to be carefully considered due to the cyclical nature of the business, workload, and would need to be accompanied by adequate explanations of variances, especially those due to timing.

Ms. Barber said there was a 2011 audit finding wherein the SAO recommended the NDUS close its general ledger and post all receivables, payables and other closing entries monthly. Based on the business case presented, in June 2011 the SBHE Budget, Audit and Finance Committee approved alternative recommended procedures in lieu of interim closes.

**Affordable Care Act Update**
Ms. Glatt said the Affordable Care Act Committee met August 27 in Bismarck with campus human resource and payroll officers on implementation. She shared a draft of a decision flow cart and a draft working document with council members. The two big outstanding items are (1) how we count adjunct faculty; and (2) resident assistants. The committee is waiting for more guidance from the consultants. She said implementing the affordable care act will create additional administrative workload for the campus personnel.

Mr. Gladen raised concern about individual campuses being potentially responsible for some penalties and suggested this should be the State’s responsibility. She said the penalties are tied to the way in which the State of ND implementation has been structured and that is not subject to change. Based on the information provided to date, the minimum essential coverage (70/95% targets) is assessed at the State of ND level; however, if and how this will be allocated back to agencies and institutions is not clear. The unaffordable coverage penalty (employee qualifies for tax subsidy) is assessed at the campus level.

Ms. Glatt said OMB has $1M for the 13-15 biennium and they are confident that this pool of money will help cover the increased cost of coverage in 13-15 and the NDUS is eligible to participate in that pool of funding. OMB intends to seek a similar pool structure for the 15-17 biennium and NDUS will be eligible to participate in that pool of money as well. It is their expectation that beyond the 15-17 biennium, funds would be embedded in agency budgets. It is uncertain how this fits with the SCH funding model, and that question has been raised with OMB. Ms. Glatt indicated that only positions funded from appropriated sources are eligible for participation in $1M OMB pool. Any coverage for non-appropriated position has to be paid from non-appropriated sources.

**Employee Tuition Waiver Update**
Ms. Glatt noted the previously distributed e-mail dated August 28 outlining the recording procedures for employee tuition payments. She said CND Campus Solutions staff vetted through the procedure with the Student Finance Users Group. Waivers would continue to be processed as they have in the past. The procedure applies to the new payment provisions. She said campuses will need to track and monitor all “educational benefits” — whether waiver or payment to NDUS or other institutions--to ensure compliance with the IRS codes – particularly, the $5,250 limit. She said it will be important that your student finance office work closely with the human resource office to ensure that all educational benefits are tracked. Since internal waivers/payments are limited to three courses per
year, it is anticipated that we will not have many, if any, that exceed the $5,250 annual limit. However, payments to out of state providers may impact this.

Ms. Glatt said at the August Council retreat there was discussion about looking at a different tuition waiver model possibly for Spring or Fall 2015. However, due to other pressing deadlines, Ms. Glatt said she hasn’t had time to address it yet.

A question was raised about what percent of tuition each campus intends to pay for the Fall 2014 term, noting it needs to be a minimum of 50%. Ms. Glatt said she would survey campuses and share the results with the Council.

**Change to Application Fee Amount**

Ms. Glatt said there’s been discussion at recent meetings and through e-mail about whether we need to consider changing the amount of the application fee, which could be addressed in a procedural change.

Ms. Fetsch said the UND Graduate School has been visiting with the admissions user group about considering increasing the graduate application fee. It was decided that this will be placed on hold until feedback is received from the admissions user groups.

Ms. Glatt mentioned that the Admin. Affairs proposed changes to the application fee policy 805.3 policy have been forwarded to legal counsel and she is waiting feedback from them so they can be presented to the Chancellor’s Cabinet and the Board for approval.

The meeting adjourned at 11:00 a.m.

**Upcoming meetings:**
October 7, 2014
November 4, 2014
December 2, 2014