Administrative Affairs Council Meeting Minutes
Friday, March 6, 2015 – 9:00 a.m.

Conference Call

Participants
Tamara Barber, Mary Eisenbraun, Greg Ross – BSC
Mark Lowe, Janet Reisenauer – DSU
Corry Kenner, Joann Kitchens – LRSC
Steve Bensen – MaSU
Brian Foisy – MiSU
Dennis Gladen – NDSCS
Stacey Winters, Karin Hegstad – NDSU
Alice Brekke, Peggy Lucke – UND
Doug Dawes – VCSU
Laura Glatt, Cathy McDonald, Robin Putnam, Laura Anne Schratt, Rick Tonder – NDUS Office

WSC and DCB – absent

Ms. Glatt convened the meeting at 9 a.m. and asked council members if there are additional agenda items. The SBHE template for authority to proceed on a capital projects was added to the agenda.

Review Purchasing Policy and Procedure Revisions 803.1 related to thresholds and definitions
Ms. Glatt said there was previous Council discussion on updates to the purchasing procedures, which grew out of recent audit discussions with DSU. The two primary issues raised at DSU related to definitional issues between ‘goods’ and ‘services’ and the second pertained to retention of documentation.
Ms. Schratt said the agenda materials reflect updated definitions for goods and services. Further, she noted we currently have a two-tier level for informal quotes vs. formal bids, and the proposal expands this to a three-tier level. The threshold dollar amounts are higher than what OMB currently has, but OMB is also looking to increase the bidding threshold. She noted that a ‘sole source’ form has also been provided. Ms. Schratt responded to a question raised about how to calculate a contract, she replied that the entire amount of a service contract includes the initial term and all possible extensions or renewal options. A question was raised if the threshold could be lesser dollar amount for commodities in which no informal quotes are needed. Ms. Winters said that the threshold for both UND and NDSU is $5,000. Ms. Glatt noted that suggestions made today would be incorporated into an updated version and will be shared with Council members for input. It will be placed on the next Council agenda for final approval.

Employee Tuition Waiver Policy Review
Ms. Glatt noted the campus responses provided regarding the two proposed tuition waiver options. She indicated the Council needs to reach a consensus on a single approach today, so we can move ahead with proposed policy and procedure revisions.

Ms. Glatt met with the State Auditors’ Office (SAO) March 5 on the progress of the tuition waiver and stipend performance audit. They are working on draft recommendations, while continuing to work with the institutions on gathering information. The final report will include a chapter on systemwide recommendations, followed by a chapter for each campus which will contain relevant campus data. The SAO anticipate releasing the report either the week of April 13 or April 20. Outside of the waiver focus, LAFRC directed the Auditor’s Office to also focus on: (1) DSU employee turnover, and (2) student internships. She said thus far there are five or six common recommendations which she summarized for Council members. One relates to the employee tuition waiver, wherein the SAO believes that since the
SBHE mandates an employee waiver that the SBHE also set consistent rules and criteria for this waiver, to be applied uniformly across the System.

After Council discussion, Option #2 was selected. It was agreed that all campuses would uniformly provide 100% waiver for courses taken at the campus of employment and for courses taken at another institution, only 50% would be paid by the employing campus. Ms. Glatt asked about a possible grandfathering provision. It was agreed that if we provide notification of any Fall 2015 changes by about June 1st, a grandfathering provision would not be needed.

Ms. Schratt will draft policy and procedure changes and share with Council members for feedback. She will also develop a common waiver application for campus use.

**SBHE Policy/Procedure 840 – Contract Review**
Ms. Feldner said the proposed changes are to deal with what are referred to as, ‘click through agreements.’ Previously, legal counsel was required to review each of these agreements before a person could agree to the pop up. She also said the proposed changes are for only IT contracts. The next step is to move the policy changes to the Cabinet for review and thereafter to the Board for approval.

**SBHE Policy 806.3 – Moving Expenses**
Ms. Putnam said the proposed changes are recommended by the controller’s group and it was also reviewed by Legal Counsel Chris Wilson. In summary, these revisions will provide more flexibility when recruiting faculty and staff from outside the system. Institutions would have the option of paying the employee a lump sum moving expense payment or paying actual moving expenses.

Mr. Wawers said the policy originated due to accounts payable challenges. What is being proposed is modeled after the University of MN policy. The purpose is to improve employee satisfaction and to address common processing issues. The hope is to have the policy in place by late spring to address the new fall hires. He said at NDSU they spent $244,000 for fiscal year for moving expenses, which covered 80 employees.

Ms. Brekke said as long as the policy allows for the options, UND is fine with what is being proposed. No other concerns were raised by council members

Ms. Glatt will share the draft policy with the Human Resource Council for input, before moving it forward to the Cabinet and the SBHE.

**Initial Review of Proposed Changes to Various 900 Policies and Procedures**
Mr. Tonder gave a broad overview of the proposed changes being suggested. Some of which could change depending on the outcome of the Legislative Session.
- NDUS Procedure 902 – Capital Projects
- NDUS Procedure XX – Construction Definitions (New)
- SBHE Policy 902.3 – Requests for Construction, Renovation & Remodeling: Change Orders: Changes in Project Scope or Size
- SBHE Policy 904 – Fixtures/Furniture & Equipment (FF&E) – Construction (New)
- SBHE Policy 907 – Building Plaques (New)
Mr. Tonder said SBHE 902.3(6) specifies that we must identify for the Board the amount of FF&E but it doesn’t say that the Board approves the amount. The modified SBHE template for “authority to proceed” would only require FF&E to be included in the project total if it is part of an appropriated project. Otherwise, FF&E would be noted for informational purposes only.

Campuses are to provide feedback to Mr. Tonder by April 15 on the proposed template changes. Further, campuses should provide feedback to Mr. Tonder on the draft policies and procedures. Final drafts will be placed on the May Administrative Affairs agenda for consideration and thereafter move forward to the Cabinet and SBHE.

**Update on Classroom Utilization Study**

Mr. Tonder indicated he has continue to work with a few campuses on Ad Astra data. The consultant is on target for providing a draft by the end of next week. The draft will be shared with Council members for feedback; however, Mr. Tonder noted there will be a short turnaround period. The consultant will have a final report to us by March 31.

**Discussion on Legislation**

There were no updates.

Meeting adjourned at 11:20 a.m.