Ms. Glatt convened the meeting at 9 a.m. and asked council members if there are additional agenda items. Dual Credit was added.

**Draft Tuition Waiver Performance Audit Report**

Ms. Glatt reviewed the 10 draft tuition waiver performance audit responses with Council members. Chancellor Skogen and Ms. Glatt are scheduled to meet with Bob Peterson and Jason Wahl on April 8. Following the meeting with auditors, the draft responses will be distributed to the SBHE Audit Committee. The Audit committee meets April 10 at which time the Committee will either confirm the responses or require changes before they are considered final. The auditors intend to finalize the report following the Audit Committee meeting and distribute it to Legislative Audit and Fiscal Review Committee. The Legislative Audit and Fiscal Review Committee has scheduled an April 21 special meeting to hear the report. Ms. Glatt encouraged Council members to participate in the April 10 SBHE Audit Committee meeting.

Some Council members raised with using the word ‘uniformity’ in the audit conclusion and citing statutory references of a ‘unified system’ to imply that these matters should be identical between campuses. Ms. Glatt said this concern will be discussed with the auditors as well as raised with the Audit Committee. Ms. Glatt said this concern will be discussed with the auditors as well as raised with the Audit Committee. Some Council members suggested the NDUS should disagree or partially disagree with several of the recommendations. Mr. Bollinger indicated that NDSU had drafted some suggested response revisions and he agreed to send those to Ms. Glatt for consideration. She said she would consult the Chancellor on the proposed changes.

On recommendation 1-2, regarding establishing standardized policies/procedures for institutional waivers, a concern was raised with what constitutes ‘adequate’ documentation?
Ms. Glatt said a template will be developed. The template will set forth what needs to be documented.

Regarding Recommendation 1-8, on student data, it is was noted that it is critical that campuses be part of the conversation on recommendations 1-7 and 1-8. And to insert the word ‘campus’ prior to ‘functional areas...’ The response ‘Agree’ will also be changed to ‘Mixed.’

**On Recommendation 1-9, related to compliance,**

It was suggested that role should be designated to the NDUS Internal Auditor. Ms. Glatt said internal auditor would argue that compliance is part of their role but not their primary role. Ms. Glatt said a compliance plan will be presented to the SBHE Audit Committee within the next few months for approval.

It was suggested that Recommendation 1-10, dealing with internships, state that institutions have different missions and offer different degrees; and, as a result they need to define internships differently.

Following the meeting with the Auditor’s Ms. Glatt will share a copy of the updated report with Council members.

**Space Utilization Study and Capital Project Recommendations**

Mr. Tonder explained when Paulien completed the master plan last spring, one of the components they weren’t able to complete was the space utilization analysis, due to lack of adequate data. From the perspective of the consultant, providing space utilization typically grows from the procedures laid out by the Center for Education Statistics (NCES). What Paulien had at that time was enrollment information but not the inventory information. The Legislature requested a more complete utilization survey so campuses were asked to provide additional information, using room codes for classrooms and teaching labs. The consultant took that information and incorporated it into the report. The consultant explained that what was provided is one component of a two-part process, comparing hours of use to actual occupancy to come up with a utilization formula. The report is still lacking room capacity information. Given that, the consultant provided the NDUS with recommendations along with detailed campus information for classroom and labs.

Some campuses expressed concern that it did not appear that information provided campuses close to the deadline date had been incorporated into the final report results. In response to Council member concerns, Mr. Tonder assured Council members that the information was shared with the consultant and to the extent that they could integrate the information, the consultant did incorporate that information. Concern was raised about releasing the report given it is not complete. Ms. Glatt explained that the Chancellor had to deliver a report to the legislature by a date certain, understanding that the report information was not perfect (as noted in the report) and that work will need to continue to improve the data.
Mr. Tonder explained that one of the challenges is both room coding and scheduling procedures. Work needs to be done to develop a set of common definitions and to provide training to those that enter the information to ensure consistent systemwide information.

Mr. Tonder will provide recommendations, and define a process and timeline to implement the recommended improvements in the space utilization report to present at the next Council meeting.

**Proposed Changes to SBHE Policy and NDUS Procedure 803.1**
Ms. Glatt explained the primary goals of the proposed changes are to: (1) better define ‘services’ versus ‘commodity,’ (2) address where formal bids vs informal quotes are required and documentation is needed, (3) restructure the policy and procedure around a policy governance model, and (4) develop a common form to use for alternate procurement.

Ms. Schratt said the policy and procedure were discussed at the March Council meeting and suggested changes from that meeting were incorporated into the current draft. After Council discussion on changing ‘document maintenance requirement’ for ‘Services More than $10,000 but less than $50,000’ from ‘None’ to ‘Required,’ it was suggested that the procedure be left as drafted.

Ms. Glatt said the proposed changes will be moved forward to a future Chancellor’s Cabinet agenda.

**Pathways Tuition Model**
Ms. McDonald reported that by all indication the Legislature is going to do something with regard to tuition, either by freezing tuition or setting a limit in the 15-17 biennium. Ms. Glatt said at this time we don’t know if and when these plans will move to the Board.

**Dual Credit Rates and Effective Date**
Mr. Bensene reported that the Controllers recently discussed dual credit rates. Based on the guidelines approved last year, all campuses must charge consistent rates by Fall 2015. Ms. McDonald reported that the Board approved a subsidized rate of $65 per credit for Fall 2014, plus the CND and NDSA credit hour fees and $115 for the unsubsidized rate. It gave campuses the flexibility of full implementation not later than Fall 2015. Ms. Glatt asked if there were suggestions to change the rates for Fall 2015. There were no requests for an increase.

The May 5 Administrative Affairs Council meeting has been changed to April 29, in order to the earlier Cabinet and SBHE meeting dates to deal with annual budget issues.

Ms. McDonald shared with Council member the timeline for annual budget deadlines.
- **April 29, or earlier** – Legislature adjourns
- **April 29** – Admin Affairs conference call to discuss annual budget and tuition guidelines
- **May 5** – Cabinet meeting to discuss annual budget and tuition guidelines
• **May 8** – SBHE Budget and Finance Committee meeting to discuss annual budget and tuition guidelines

• **May 14** – SBHE approves annual budget and tuition guidelines

• **June 15-19 (earlier than June 15th is encouraged but no later than June 19)** - Campuses will utilize the budget module in HRMS to run the processes to finalize salary and operating budgets, department budget table, and job data. Campuses will be able to print salary notification letters after this is done.

• **June 23** - Annual budget Schedules 1-4 and Schedule 5 narrative (via email) due to me, so I can complete my review, follow up with questions and forward a summary to the Chancellor for his approval on **Friday, June 26**. Anyone that can email the schedules prior to June 23 are encouraged to do so.

• **July 15** – ONE copy of the annual budget book due to me

Meeting adjourned at 10:55 a.m.