

USenate Feedback August 2017

MIRA vs. Incremental budget model

Comment: If primary units do not have the discretion how much they use the support units then I do not understand how the efficiency in MIRA budget model will come. If the decision regarding the expenditure on support units is not done at the primary units level then we are basically following the old system. In addition to that I came to know today that Deans have to get the sanctions of faculty positions from the Twamley Hall. Then there is subventional fund that is also decided at the university level. It looks to me we are putting old wine in new bottles. More things change more they remain the same.

Response: Over 70 support units serve diverse functions essential to the mission of the university. The \$63 M in costs (FY16) are 13% of the total university budget. The Resource Planning and Allocation team in the VPFO's office continues to refine formulas to estimate the cost of using services to each primary unit based on metrics such as headcount, grants and contracts, and square footage. These calculations are designed to ensure equitable base services across primary units. It is also possible for a primary unit to invest in more specialized enhanced services to support its mission. Support units are in the process of determining base and enhanced services. This prioritization will help shape future budget requests. This will determine if payment for a service is required or elective. Such distinctions were not overtly made in the former incremental budget model.

The [Support Unit Allocation Committee](#) reviews support unit budget requests which include distinctions between base and enhanced services. Because of budget reductions, some services that were commonly viewed as base may either cease to exist or become restricted in their availability. Support Unit Allocation Committee recommendations are reviewed by the [Executive Budget Committee](#), and ultimately approved by the president in consultation with the Executive Council.

The commenter is correct that Deans must receive approval from the Provost to recruit and hire new faculty. Primary units must demonstrate that the recruitment is aligned with strategic priorities of the college and university.

Under MIRA, subvention funds are necessary in order to correct for disparities between primary unit budgets and revenues generated by that unit. If revenue is insufficient to balance the proposed budget, then subvention funds must be requested. As with support units, such budget requests must be aligned with the strategic priorities of the primary unit and the institution. The [Executive Budget Committee](#) recommends subvention fund allocations to the president and Executive Council. In the event that subvention is insufficient, the budget must be revised accordingly. It is anticipated that as the university transitions into MIRA, subventions will be large. This is because budget requests will initially mirror the historical model. Subventions should decrease over a period of years as primary unit expenses more closely align with the true cost of delivering its mission.

So, yes, the initial implementation year for MIRA gives the appearance of pouring old wine (revenue) into new bottles (budgets). Under the incremental model, however, the wine in each

bottle tastes the same and the sizes and shapes of bottles are constrained by historical precedent. Because the MIRA bottles are not similarly constrained, over time they will take on shapes and sizes more reflective of the actual income and expenses for each primary unit. The wine in each bottle will also subtly change to better represent the differences in revenue streams associated with each primary unit.

Tuition increases

Comment: I had the impression University will not be increasing much in tuition. Now I see there is 4 - 9% of SBHE Approved tuition increases. This percentage increase is impacting about half the appropriated funds that were impacted because of the state's funding cut. I think now some faculty and staff raises could be given. Thank you.

Response: Details for this year's tuition increases are found in the NDUS 2017-18 Annual Budget Guidelines (<http://www.ndus.edu/uploads/resources/7990/fy18-annual-budget-guidelines-final.pdf>). There you will see that every NDUS institution took the maximum allowable 4% increase for resident and non-resident undergraduate tuition, which comprises the bulk of total tuition. UND's basic graduate tuition increased 7%. Most SMHS graduate and professional programs were held to 4%. The largest tuition increase was 9% for the School of Law. Deferred maintenance will sequester 1% of that increase. The overall increase in tuition is well below the amount needed to compensate for the 12% reduction in state appropriations. Hence the need for voluntary separations, program closures and no raises.

Hyslop pool

Comment: In regards to the Hyslop pool. Can the Hyslop pool be shard with the UND Wellness Center? Can student fees help cover the annual expenses of this pool? Additionally could student employees be hired to continue the swimming lessons/programs that generate income? If the pool had open hours under the wellness center could it be opened and advertised to the public at a cost? It would be a tremendous waste for the Hyslop pool to close. Especially when there are ways for the pool to generate income to help sustain itself. Not to mention there is revenue the University can collect from tuition for aquatic classes.

Response: As reported in the July USenate feedback, the Wellness Center discontinued its support for student and staff access to the Hyslop pool. (see <http://und.edu/university-senate/response-usenate-feedback-july2017.pdf>). The Athletic Department employs a mix of students and staff to manage pool functions. Information about fees and times is available at http://www.undsports.com/ViewArticle.dbml?&DB_OEM_ID=13500&ATCLID=3749223. Swimmers with UND ID cards pay \$30 for 10 sessions. Last year that generated about \$5,000. The public has access to the pool through its Swim North Dakota program, the RRVY Wahoos competitive swim club, and many other programming opportunities. Kinesiology offers aquatics classes for credit. Tuition dollars go to the college(s) of instruction and record. Students also pay a fee of \$60 per course to use the pool, which in AY16-17 generated \$8460. The Hyslop pool is expected to stay open through December of 2018. Its long-term prospects are being evaluated at this time as the Master Planning on campus could impact the facility and that process is ongoing.

Finance and Administrative costs

Is it true that the University will not be distributing FY17 F&A back to the schools? I heard they were keeping the FY17 monies. If this is the case when will the University be transparent about this and who will tell the Principal Investigators that they will not get one years worth of F&A?

Response:

Distribution of Finance and Administration costs are described in MIRA MAGNIFIED: F&A Costs (<http://und.edu/mira/files/docs/mira-magnified.pdf>), which can be found on the MIRA website (<http://und.edu/mira/>). Odella Fuqua, Director of Resource Planning and Allocation, provides further explanation:

Specific to this question, there is no holding back of F&A dollars. Dollars received in a fiscal year are distributed in the same fiscal year. What methodology is used to make that distribution seems to be where there is confusion. Central administration was distributing the current year dollars based on previous year's activity. In other words, the dollars received in FY17 were distributed using FY16 award information. In MIRA, 100% of the FY18 F&A dollars received will be distributed to the Colleges and Schools. The Colleges and Schools can determine what methodology they feel is best for further distribution to PIs, departments, etc. They can continue to use the previous year's activity or determine an alternative activity driver. That is up to each dean.

UND email accounts after graduation

Comment: I recently got to know that students who get graduated from UND do not have access to their und account after sometime. I want to suggest to provide lifetime access to the und account to the students so that students will always be in touch with the university and the department. Many universities such as UCSD are doing the same for the students. Please do consider my request and let me know if its feasible for UND as well. Thanks

Response: Chief Information Officer Madhavi Marasinghe provided the following statement:

UND currently does not suspend student email accounts upon graduation. UND's email service is provided by the North Dakota University System through an agreement with Microsoft. Over the next several months, UND along with other institutions within the university system will engage in conversations on best practices for de-provisioning email accounts upon separation from the institution.

Reducing campus footprint and lost revenue

Comment: Regarding Raze 39 UND apartment buildings: How much will it cost to take them down? How much money do they generate per year? Same with all of the other buildings they want to Raze: They tell us how much they will save in deferred maintenance but never how much it will cost to Raze them or replace them. I sure hope they are not continuing to "defer: maintenance on all of the rest of the buildings on campus. I don't think UND is a very good steward of buildings. The Strinden Center is a

prime example. Once you let the roof go everything else will deteriorate. I guess it is all about having a nice looking "Store Front" and putting up a bunch of new buildings. By the way the golf course was making money! But it is all about the money they can get from the sale of the land to use to build more buildings.

Response: The 2016 Campus Master Plan (<http://und.edu/finance-operations/facilities-management/und-master-plan-4-15-16-rs.pdf>) provides a comprehensive facilities condition assessment. Of the 6.8 million gross square feet of space at UND, 20% is comprised of residential housing. The 39 apartment buildings in question represent 20% of the 195 major buildings on campus. Table 4.4 (p. 107) of the Master Plan indicates that the Northwestern Drive units were built in 1966 and the State Street apartments were built in 1959. Combined estimated deferred maintenance for these units is about \$18 M. Their average Facility Condition Index (FCI) rating (Deferred Maintenance/Current Replacement Value) is >0.5, or "poor condition".

Connie Frazier, Executive Director of Housing and Dining Services, reports that the current combined net revenue for these units is about \$240,000/year (about 6.5% of its FY16 total sales and service). Facilities Management estimates that demolition of the apartments will be about \$500,000, the cost of which will be paid from Housing- and Dining-generated funds. Subsequent changes in revenue have been factored into Housing and Dining's budget planning. Reducing the residential housing footprint in this way will allow this Auxiliary Unit's limited facilities improvement funds to be focused on remaining inventory. At this time there are no plans to replace the apartments.

Reasons for razing another eight non-residential buildings, including the Strinden Center, are given in a July 25 UND Today story (<http://blogs.und.edu/und-today/2017/07/making-way-for-the-future/>). The decision to take these buildings offline (see 2016 Campus Master Plan) preceded President Kennedy's "Coulee to Columbia" revitalization project (see January 26 UND Today story <http://blogs.und.edu/und-today/2017/01/coulee-to-columbia/>). The lots will be maintained as green space until future uses have been determined. See the 4/4 and 4/11 responses to USenate Feedback about the Ray Richards Golf Course (<http://und.edu/university-senate/4-11response-usenate-feedback.pdf>; <http://und.edu/university-senate/4-11response-usenate-feedback.pdf>).