Administrative Affairs Council Minutes
December 9, 2008 – 12:00 noon
University of North Dakota

Participants
Dave Clark – BSC
Alvin Binstock and Mark Lowe – DSU (by phone)
Corry Kenner – LRSC
Ron Dorn – MiSU (by phone)
Jim Borkowski – MiSU-BC
Mike Renk – NDSCS
John Adams – NDSU
Bob Gallager and Alice Brekke – UND
Trudy Collins – VCSU
Brenda Wigness – WSC (by phone)
Laura Glatt, Cathy McDonald – NDUS Office
Darci Trenda, Randall Thursby and Pat Seaworth – NDUS Office (by phone)

Accountability Measures
Cathy provided an update on changes to the fiscal accountability measures recommended by the Interim Legislative Committee. She indicated that the legislature will consider these changes in the 2009 legislative session, but she has started working on data definitions and sources in anticipation of adoption and reporting changes at the end of CY09. She recently met with Dennis Jones to discuss data sources, and he indicated that NCHEMS has several of the required data sources.

In response to a question about SBHE-mandated measures, Laura indicated she would follow-up with Marsha Krotseng to find out the status of SBHE consideration of any changes to these measures.

NIMS Training
Jason Uhlir, Linda Olson, Linda Rohde and Duane Czapiewski from UND joined the meeting to invite the other NDUS campuses to participate in NIMS training from January 5-8 on the UND campus. Participants would not be charged a registration fee. Jason pointed out the importance of having NIMS-trained personnel on campus, including executive management. He said lack of training could lead to potential loss of federal funds, FEMA funds and potential loss of incident scene in the event of an emergency situation.

Tuition and Fee Study
Laura reviewed the history and work plan for the SBHE Tuition and Fee Study. In response to a question as to whether the SBHE would be providing some guidelines on the front-end, Laura said the SBHE will be discussing the study at their December 18th meeting and provide guidance on their expectations or goals.
With regard to an implementation date for any recommendations, it was cautioned that implementing recommendations mid-biennium could create budget impacts.

Finance Model Changes
Laura reviewed the history and work plan for the Finance Model Changes. She said based on direction from the Legislative Council, the NDUS is to have a proposal ready to present to the Roundtable in about June 2009, of the incentive and investment components. Council members expressed concerns about dealing with the model in a piece-like fashion. Laura reported that a sub-committee of Administrative Affairs Council members is meeting tomorrow to begin working on the model. All recommendations will be brought back to the full Council for consideration, and shared with other councils, as appropriate, before forwarding recommendations to the Cabinet, and ultimately to the SBHE.

Controllers/Accountants Group Update
Darci provided a status report as follows:
- **Red Flag Rules**: Compliance date has been delayed until 5/09. Mark Lowe, DSU is chairing a committee to develop recommendations for compliance.
- **IPEDS reporting changes**: There is an FY10 effective date. The controllers/accountants are developing a model to allocate depreciation to functional areas by the end of FY09.
- **990 reporting**: Discussed the 990 reporting requirements. Also, the controllers/accountants will review the UND and VCSU compliance questionnaires when complete.
- **UMPIFA**: The Controller's talked about the policy recently adopted by NACUBO for the adoption of the Uniform Prudent Management of Institution Funds ACT (UPMIFA). This would apply to institutions endowment funds, in addition to Foundations monies, if endowment fund are given with specific guidelines. The ND State Commission on Uniform State Laws will be lobbying for adoption of this policy and will be drafting a bill for legislative consideration in the 2009 legislative session.

In response to a question on the athletic travel recommendation, Laura said the initial issue has been resolved through a policy change and a change in campus accounting practice; however, a new audit concern has emerged dealing with the dollar rate of reimbursement. This will need further review.

With regard to the comprehensive NDUS financial statements, Darci said she received the last adjustments from the SAO last week. The final statements are due to OMB on December 4. The SAO have not provided the audit recommendations yet.

Human Resource Council (HRC) Update
Laura said the HRC, in addition to their other work, will look at the feasibility and options for providing retiree health care and succession planning, as well as policy changes for family medical leave in the next year.

Legal Services
Pat Seaworth joined the meeting and summarized his concerns about the level of legal services being provided across the NDUS. In his email memo distributed earlier, Pat outlined several
options for consideration. Following discussion, the consensus among the nine campuses, excluding UND and NDSU, was the need for additional legal support. The Council asked that an assessment model be developed and distributed to the campuses for consideration, which would prorate the cost of a new legal assistant position in the NDUS Office across nine campuses. Campuses will respond to Laura via email of their support.

**IT Update**
Randall Thursby and Mick Pytlik joined the meeting and provided the following projects update:

- Security assessments have been completed at all 11 campuses. Randall is reviewing these with the campus CIO and president. The CIO Council will work on appropriate procedure changes. He said some of the areas of greatest risk are (1) lack of encryption, and (2) services located at the departmental level. In response, Randall said SITS is testing laptop encryption tools and will work with the institutional security personnel to recommend a solution to the campuses.
- The executive budget included full funding for network bandwidth costs. Randall said DSU will likely need an upgrade yet this biennium.
- A contract has been signed for Moodle (open source LMS) hosting and 24x7 help desk support, from re-directed funding in the SITS budget.
- Mick reported that they continue to research data warehouse software options. He said a comprehensive plan for implementation will be completed by spring 2009.
- The Hobson CRM implementation for application and admission is ongoing. UND grad and NDSU undergrad are serving as pilot campuses.

**Legislative Reporting Requirement**
Cathy distributed a summary of the items campuses must report to the 2009 appropriation committees. It was agreed that for deferred maintenance reporting, the campuses would use the consistent extraordinary repairs categories that were developed for use in the 09-11 budget request as follows:

- Building exterior
- Mechanical/electrical upgrades
- Interior finishes
- Structural repairs
- Paving and area lighting
- Utilities and infrastructure
- Miscellaneous projects <$50,000
- Special assessments
- Emergency preparedness infrastructure

Regarding the requirement to report on the use of 2005-07 “unexpended appropriations,” it was clarified that this applies to general fund carryover, and not tuition carryover (which isn’t specifically appropriated). In most cases, the general fund carryover would only include amounts that haven’t been expended/drawn down from the capital assets line.

**OMB Budget Hearings**
In response to a question, Laura indicated the Chancellor advised the Cabinet last week that he would send out guidance on the campus budget hearings. She also summarized the initial
Cabinet discussion and recommendation to support additional funding to maintain student affordability.

Future Meetings
January 13, 2008 *(to be rescheduled)*
February 10, 2008
March 10, 2008
April 7, 2008
May 12, 2008
July 21-22, 2008 retreat
September 9, 2008
October 13, 2008
November 10, 2008
December 8, 2008