Administrative Affairs Council Minutes  
May 5, 2009 – 3:00 p.m.  
Conference Call

Participants
Dave Clark and Tamara Barber – BSC
Alvin Binstock and Mark Lowe – DSU
Corry Kenner – LRSC
Ron Dorn and Jonelle Watson – MiSU
Jim Borkowski – MiSU-BC
Mike Renk – NDSCS
John Adams and Karla Mongeon-Stewart – NDSU
Peggy Lucke and Cindy Fetsch – UND
Trudy Collins – VCSU
Brenda Wigness – WSC
Laura Glatt, Cathy McDonald, Robin Putnam, Randall Thursby, Pat Seaworth and Deanna
Dailey – NDUS Office

Review SBHE Policy 802.7 – Identity Theft Prevention
At the most recent Administrative Affairs Council meeting, the controller’s group recommended that the SBHE adopt a policy regarding identity theft prevention. They also provided a template for campuses to use when implementing the proposed policy (SBHE Policy 802.7 – Identity Theft Prevention). Ms. Glatt explained the two substantive changes made to the policy since it was discussed at the April 7, 2009, meeting.
1. Mr. Seaworth suggested that the SBHE identify minimum procedures, which were added as Section 2.
2. Section 2(b) was modified to require that the NDUS CIO be notified whenever a pattern, practice or specific activity has been detected that relates to any system application.

The original deadline to have this policy in place was May 1, 2009; however, the federal government has since extended this deadline to August 1, 2009.

In response to a question from Mr. Binstock, Mr. Seaworth said the policy allows each campus the flexibility to determine who should receive the annual report on compliance and effectiveness of the program and recommendations for changes. So that this is clearly stated within the policy, Mr. Seaworth said language will be added to the end of Section 2(g) as follows: “shall be filed with person or department as identified by the president.” This policy will go to the cabinet for approval on May 6, 2009, and then presented to the SBHE on May 14, 2009, for their approval on first reading. There were no objections to the proposed changes.

Review Major Legislation
Ms. Glatt reviewed the appropriation bills that were outlined in pages 3-10 of the agenda materials. She added that at the next meeting of the Administrative Affairs Council a more thorough review of all pertinent bills will be provided.
The budget schedules (pages 11-16) are still in draft form, as they are subject to change until the final numbers are announced by the Legislative Council. Regarding the adjustments to one-time funding in executive recommendation, as shown on page 12, Ms. Glatt explained that these figures were moved from base funding to one-time funding based on an initial review by the Legislative Council.

Ms. Glatt reviewed several items on the 2009-11 Major Capital Project Priority List, as approved by the SBHE (pages 15-16). The Legislature appropriated the LRSC wind energy project in both general and federal funds. Also, Ms. Glatt said the DSU Stoxen Library project is contingent upon tax revenue funds and is not in any appropriation figures. The BSC Applied Technical Center is on the list of approved major capital project priorities; however, the appropriation goes to the Department of Commerce (DOC).

Ms. Glatt reviewed some of the highlights of SB2003, the NDUS appropriation bill. She also discussed the possibility of a Legislative request for a study regarding a new funding model, particularly as it relates to equity funding and based on student completors.

Regarding the Office of Management and Budget’s (OMB) appropriation bill, HB 1015, Mr. Binstock asked whether each NDUS institution will be required to submit a monthly report detailing all vacant positions and the salaries related to those vacancies and if so, how to incorporate this into the annual budget process. Mr. Seaworth replied that it is his opinion that this requirement does not apply to the NDUS, since this would give OMB and the Legislative budget section the ability to hire adjunct faculty, which is contrary to the state’s constitution. Mr. Seaworth said he will review the records to find out whether this issue was addressed by the Legislative Council. He said at this time, the NDUS is taking the position that this doesn’t apply to us and if necessary, the SBHE may need to review the matter and take a position on it, as well. Ms. Glatt said there is nothing in the legislation that at this point in time, would require the campuses to change the way in which they are budgeting.

Mr. Seaworth asked Mr. Clark if the BSC Energy Center is going to be a NDUS building, managed by BSC. Mr. Clark replied that he believes this is the case; however, the city of Bismarck has ordered a feasibility study and the outcome of that study will determine how the building is managed. Mr. Seaworth expressed concern regarding the language in HB 1015 stating “The department has completed an independent comprehensive commercialization study, developed a business and operational plan for the center with a clearly defined mission and objectives, and received budget section approval.” Mr. Seaworth stated that there will need to be discussions of this with the DOC personnel to be sure that the management of the building is ultimately left to the SBHE, not the DOC.

There was some discussion regarding SB2001 and the impact it may have on the budget preparation process. According to page Section 12(3), the legislative budget committee “shall prepare drafts of appropriations acts for the next biennium providing funding at the same base level approved by the most recently adjourned special or regular session of the legislative assembly.” This means that rather than the governor preparing and introducing an executive budget for the legislature to work with, the legislative budget committee will develop the appropriation bills and the governor must then introduce amendments to make any changes. Ms. Glatt said she feels this will significantly impact the budget process, particularly as it relates to carryover funding. Discussion took place regarding whether Governor Hoeven will consider
vetoing this piece of legislation. If not, Ms. Glatt said she feels the NDUS will have to have numerous discussions with OMB in the future before we can change any procedures already in place.

Review Draft 2009-10 Annual Budget Guidelines
Ms. McDonald reviewed the proposed 2009-10 annual budget guidelines, beginning on page 87 of the agenda materials.

Ms. Mongeon-Stewart asked whether SITS employees need to be included in the appropriated funds. Ms. McDonald said they do, as the NDUS is transferring the related appropriation authority to the institution. It was agreed that NDSU and UND will need to use a different fund range to differentiate these funds. Related to the shift of SITS funding from UND to NDSU, consistent with the service level agreement, Ms. McDonald said she will arrange for a conference call meeting with representatives from UND, NDSU, and NDUS to determine how to best implement this change.

Ms. Glatt reviewed attachment 3, “security and emergency preparedness.” She said there was an error in the chart on page 97 – specifically, under the “recommended allocation” column, the amount for UND should be $75,000, and the amount for NDSCS should read $50,000. Ms. Glatt said if anyone had further questions or comments regarding the proposed allocation of funds, they should feel free to share them with her or with their president. The cabinet will be discussing this at their May 6, 2009, meeting, and the SBHE will be asked to action at their May meeting.

Ms. Glatt said these budget guidelines will be discussed at the May 6, 2009, cabinet meeting, and if necessary, a special conference call could be scheduled to discuss them again on May 17. The Budget, Audit, and Finance Committee will review the recommendations from the cabinet, after which the SBHE will be asked to approve them in May.

In response to a question from Mr. Binstock regarding the STEM proposals, Ms. Glatt said campuses should consider these funds as base funding.

Ms. Glatt announced that the May 12, 2009, meeting of the Administrative Affairs Council will not be held face-to-face as originally planned. However, she asked the group to hold that afternoon in case a conference call meeting is necessary.

Meeting adjourned at 4:38 p.m.

Future Meetings
May 12, 2008 (possible conference call)
July 21-22, 2008 retreat
September 9, 2008
October 13, 2008
November 10, 2008
December 8, 2008