GASB 51 Update
Ms. Putnam reviewed the GASB 51 information distributed with the agenda materials, in addition to materials sent to the Controller’s Group in a separate e-mail. GASB 51 refers to accounting and financial reporting for intangible assets, which is described as an asset that has all of the following characteristics:

- lacks physical substance
- nonfinancial nature
- initial useful life extending beyond a single reporting period.

GASB 51 goes into effect in FY10 and requires the capitalization of intangible assets that meet certain criteria. Ms. Putnam added that retroactive reporting for intangibles acquired since June 30, 1980, is required. If the data is not available to determine actual historical costs for the older intangibles, organizations are permitted to use their best estimates.

Discussion took place regarding the process for recording software licenses, especially those purchased under a site license. Ms. Putnam said she will follow up with more information via email after doing some more research.

Ms. Putnam said each campus will need to determine what intangibles they have that will need to be reported. ConnectND will be handled by the System office, unless it is already going to be done at the state level. She encouraged everyone to talk to their CIO’s if they have any questions regarding software licensing matters. If there are questions regarding patents, copyrights, trademarks, etc., Ms. Putnam suggested they contact their legal counsel. For easements or land use rights, facilities management representatives will likely have the necessary details. Ms. Glatt asked Ms. Putnam if there will be a subcommittee or group formed to develop instructions regarding what needs to be identified according to GASB 51 so all institutions are consistent in their reporting. Ms. Putnam said the controller’s group will be continuing work on this issue. In
addition, she said that Mr. Thursby will be meeting with the CIO’s and she will continue to work closely with Mr. Thursby. She said she would serve as the bridge between those two groups, and as a result, it was agreed that no new workgroup would be created.

2011-13 Biennial Budget Request
Ms. Glatt sent an e-mail prior to today’s meeting which included a preliminary draft of the 2011-13 budget request. This draft has been released to the Cabinet, and the Chancellor intends to visit by telephone with each president about the proposal. Ms. Glatt explained that the items are not in priority order and provided a brief line-by-line review of the summary document.

Regarding item #4 (Technology Maintenance), the NDUS’s share of ConnectND is scheduled to increase by $150,000. Ms. Glatt said Mr. Thursby and his staff are reviewing how we are storing and archiving finance and human resource information and added that at some point, we are going to have to decide how much information we need to store and for how long in an effort to reduce expenses.

Ms. Glatt pointed out that the costs for the Bismarck Higher Education Center (#8) is still an estimate and will likely change before the budget is finalized, as the partner campuses are still working on a proposal.

The “facilities project management” (item #19) is a full-time position that Chancellor Goetz is considering to provide support to the campuses for project planning and implementation. Mr. Renk expressed some concern regarding this position and suggested instead that campuses should be more responsible and held accountable.

Discussion took place regarding item #13, employee retirement contributions request, and the implications of this being employer paid versus employee paid.

Ms. Glatt told the group that a revised budget proposal will be distributed prior to the March 24, 2010, Cabinet meeting. In addition, she and Ms. McDonald are working with NDUS SITS staff about the communications portion of the utility budget.

Mr. Binstock questioned the large differences between campuses in utility parity funding as shown in column six of the “Estimated Tuition Increases Needed to Fund Student Share of Parity Scenarios” as prepared and distributed by Ms. McDonald. Ms. McDonald explained that for some institutions it is a one-time adjustment since their actual expenditures were higher than budget in previous biennium. She said she would send out additional information.

Tuition Study
Ms. Glatt asked the group for any suggested changes on the NDUS 2010 Tuition Model Study process timeline, indicating that the timeline for much of the campus work is very tight and comes at the same time as various budget processes. Mr. Binstock asked for more information about the May 11, 2010, target date, at which time campuses are expected to present updated draft plans to the Administrative Affairs Council for review and discussion. Ms. Glatt explained that it is a periodic checkpoint to see if the campuses need any assistance/guidance/information from the system office or one another. She said she
hopes by the May 11, 2010, meeting, Administrative Affairs Council representatives can provide some specific details about their campus plans and projections. She said that the timeline can be adjusted, as necessary, later on, but indicated that if this timeline can’t be met, it would likely influence any changes beginning in Fall 2011.

In response to Ms. Watson’s questions regarding the number of residency rate categories, the first sentence of item #10 in this report will be revised to read: *The model will have not more than two residency rate categories: resident and non-resident.* Ms. Glatt said she understands campuses need to take a conservative approach to estimates, but asked the campuses to be reasonable in doing so, based on experience from other campuses. Mr. Bensen asked whether they are expected to differentiate between distance versus on-campus education. Ms. Glatt explained that this was one reason the study is underway. She added everyone will need to look at both delivery methods and decide how they want to strategically market on- and off-campus tuition, assuming that both are based on a per credit hour model.

**Other**

Discussion took place regarding the upcoming Legislative Council campus visits. Ms. Glatt said the Council will be following up with each campus individually to set this up their visit. To date, no one has heard from a representative of the Legislative Council.

In response to a question, Ms. Glatt indicated that she is the System Office contact person for the new NDUS Fraud Hotline.

**Future Meetings**

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