Administrative Affairs Council Minutes  
February 1, 2011 – 1:30 p.m.  
Conference Call

Participants  
Dave Clark and Tamara Barber – BSC  
Alvin Binstock and Mark Lowe – DSU  
Corry Kenner – LRSC  
Jonelle Watson – MiSU  
Jim Borkowski – DCB  
DeAnn Loll – NDSCS  
Bruce Bollinger, Ramona Adams and Karin Hegstad – NDSU  
Alice Brekke – UND  
Trudy Collins – VCSU  
Laura Glatt, Cathy McDonald, Robin Putnam, and Deanna Dailey – NDUS Office

Legislation Status  
Ms. Glatt referred to the bill tracking summary dated January 26, 2011, and asked if anyone had questions or comments relating to a specific bill. None were expressed.

Ms. Glatt said there will be a hearing on HB 1444 & HB 1445 relating to non-resident students on Wednesday, February 2, at which Chancellor Goetz and a representative from UND will testify. On Thursday, February 3, the chancellor and representatives from BSC and NDSU will provide testimony on HB 1236, relating to vacant positions.

On Monday, January 31, SBHE president Jon Backes testified before the House Appropriations Committee in opposition to HB1411, which declares the chancellor has no authority over institutions and requires a separate funding methodology for research, four-year and two-year campuses.

Ms. Glatt thanked everyone for their prompt responses to the numerous requests for information that have come in from the legislators, SBHE and the public. She expressed the need for their continued cooperation throughout the remainder of the session.

In response to a question from Mr. Clark, Ms. Glatt said she has not received any indication of how the NDUS appropriation bill is being received.

Risk Assessment  
Ms. Glatt recently spoke with Brian Pye from LarsonAllen regarding the risk assessment process. The System office was the first to be reviewed. A draft report will be submitted to the chancellor after they have had a chance to meet SITS representatives. Mr. Pye told Ms. Glatt that President Skogen should receive the BSC report by the end of January; however, Mr. Clark reported that he did not believe it had yet been delivered. Ms. Glatt said she would follow up with LarsonAllen and added that WSC and UND should also be expecting their draft reports.
within the next two weeks. Ms. Collins said LarsonAllen staff are currently on the VCSU campus. According to the original timeline, MaSU should be the next institution that LarsonAllen will be visiting.

Ms. Glatt said LarsonAllen will submit the first draft report to the institution president for their review. Mr. Pye and his associates will consider this presidential input and prepare a second draft report, which will then be delivered to the president’s office, as well as the System office. At the present time, it has not yet been determined what the process will be for finalizing the reports.

Mr. Lowe asked those who have completed their discussions with LarsonAllen staff how they felt about the process. Ms. Brekke, Mr. Clark and Ms. Collins agreed that it was a very positive experience. They felt there had been open-ended discussions with a broad group of individuals regarding “what keeps them up at night.”

Performance Audit on Local Funds
Ms. Glatt said she has no new information regarding the performance audit on local funds and asked if any other council members would like to update the group.

Ms. Brekke said she met with auditors last week and felt that it was a productive conversation regarding best practices, benchmarks, etc., and added that they’ve worked hard to keep this process positive. Mr. Bollinger agreed with Ms. Brekke’s assessment of the ongoing process. They said they feel relatively sure the auditors will be reviewing at least another institution once they’ve finished at UND and NDSU; however, it is not known which campus they will select.

Ms. Brekke said that at UND she sent a notice to their faculty and staff explaining who the auditors are and what types of information they will be looking for. She also encouraged the group to set up a contact person at their campus to work with the auditor and to conduct weekly updates with them.

Ms. McDonald had asked NDUS business officers two questions regarding unexpended general fund and tuition fund carryover. She said every campus has responded that all unexpended appropriated funds remain appropriated funds. Ms. McDonald said she was also asked whether the System office manages budget-to-actual funding and her response to the auditors was no, each campus manages this on their own. She suggested that council members be prepared to discuss this issue with the auditors, as well.

Annual Budget
Ms. McDonald referred to the e-mail she sent to the Business Officer’s listserv earlier regarding annual budget timelines. She said although the guidelines won’t be approved by the SBHE until after the 2011 legislative session, the salary download worksheets are available now and nVision reports will be ready soon, for those who want to get a head start. Ms. McDonald added that a timeline of the annual budget process was included in her previous message, and is as follows:

- **Effective immediately** - Salary download worksheets available upon request (contact Cathy);
Soon – As soon as instructions are finalized and sent to campuses, nVision report worksheets can be run by campuses.

February - April - Review nVision reports and salary download worksheets, make appropriate adjustments in PS, and rerun reports where needed;

May 9-10, 2011 - SBHE approves annual budget guidelines;

June 3, 2011 - Salary upload TEST worksheets due to Karin Stinar;

June 13, 2011 - Salary upload FINAL worksheets due to Karin Stinar and Cathy by 5pm (All campuses should send their own). The expectation will be that everything will be uploaded by June 17 and campuses will be able to print salary notification letters after that.

Pending item - In order to avoid performance issues, Nicci will send a upload schedule at a later time, including dates and times for all campuses to upload the nVision reports in June. She will work with the campuses to determine specific dates and times.

June 17, 2011 - Send annual budget schedules 1-5 and narrative (via email) to Cathy, so I can complete my review and forward a summary to the Chancellor for his approval.

July 15, 2011 (or before) - Two final hard copies of the annual budget book due to Cathy

 Ms. McDonald added that she has received only a few responses from a survey that she sent to the campuses regarding whether or not campuses are budgeting all funds in the annual budgets. With significant focus on local budgets by both legislators and the state auditors, the more consistency we have among campuses, the better off we will all be. She asked all campuses to respond so any needed changes could be incorporated into the 2011-12 annual budgets.

Meeting adjourned at 1:55 p.m.

Future Meetings
March 8, 2011
April 5, 2011
May 3, 2011
June 14, 2011
July 25-26, 2011
August 30, 2011
October 11, 2011
November 22, 2011