BOARD OF TRUSTEES
EXECUTIVE COMMITTEE MEETING AGENDA
WEDNESDAY, APRIL 21, 2010
3:30 PM

WELLS FARGO PLACE
30 7TH STREET EAST
SAINT PAUL, MN

Please note: Committee/Board meeting times are tentative. Committee/Board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

Executive Committee Agenda
David Olson, Chair

(1) **Minutes of March 17, 2010** (pp. 1-2)
(2) FY 2010 Third Quarter Board Operating Budget (p. 3)
(3) Discuss FY 2011 Board Operating Budget
(4) Follow-up to OLA Evaluation of the System Office (pp. 4-6)
(5) System Office Review
(6) Discuss May 18-19, 2010 Meetings
(7) Leadership Council Comments

Executive Committee Members Present: David Olson, Chair, Duane Benson, Ruth Grendahl, David Paskach, Thomas Renier, Christine Rice and Scott Thiss

Executive Committee Members Absent: None

Other Members Present: Jacob Englund

The Minnesota State Colleges and Universities Board of Trustees Executive Committee met at Wells Fargo Place, 30 7th St., E., 4th Floor, Board Room, Saint Paul, on Wednesday, March 17, 2010, at 3:45 PM.

Chair David Olson convened the meeting and announced that a quorum was present.

(1) Minutes of January 20, 2010
The minutes of the Executive Committee meeting on January 20, 2010, were accepted as written.

(2) Proposed Amendments to Board Policy 1A.2, Board of Trustees
Chair Olson reviewed the proposed amendments to Board Policy 1A.2 that included changing the date of the annual meeting and the election of officers to June instead of July, and re-establishing a Technology Committee. The dates of statutory citations throughout the policy were updated. Trustee Thomas Renier, chair of the Finance, Facilities and Technology Committee, commented that he supports having a Technology Committee. The proposed amendments will be presented to the Board of Trustees as a first reading in April with a second reading and approval scheduled in May.

(3) Draft FY 2011 Meeting Calendar
A proposed meeting calendar for FY 2011 was distributed. The Executive Committee reviewed the suggested dates of two-day meetings in July, September, November of 2010, and January, March, April, May, June and July 2011, with a retreat on October 19-20, 2010. Chair Olson asked the members to review the proposed dates, which will be presented to the Board of Trustees as a first reading in April followed by a second reading and approval in May.

(4) Follow-up to OLA Evaluation of the System Office
Chair Olson commented that each of the committees had reviewed their assignments regarding the recommendations from the OLA Evaluation of the System Office. The committees will continue to work and report on their progress in the coming months.

(5) Discuss April 20-21, 2010 Meetings
Chair Olson and the committee reviewed the agenda items for the April 20-21 meetings. There will be a public hearing and first reading on the FY 2010 Operating Budget. Other items include a first reading on the 2012-2017 Capital Budget Guidelines, amendments to several policies and the appointment of a president for Lake Superior College. On April

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21, the Board will have a study session on the revisions to the Strategic Plan, and attend a luncheon for the Board of Trustees Awards for Excellence in Teaching.

(6) Leadership Council Comments
Richard Davenport, President, Minnesota State University, Mankato, and co-chair of the Leadership Council, reported on the Leadership Council meeting of March 2. He explained that Dr. Richard Zemsky had presented a proposal for a pilot project for curriculum reform to two or three systems around the country. Chancellor McCormick added that while some of the presidents were enthusiastic about the proposal, it lacked unanimous support. Senior Vice Chancellor Baer explained that the proposal was not clear on the effects it would have on faculty contractual issues.

President Davenport continued his report on the Leadership Council meeting. All of the sub-committees on the Leadership Council are paralleling the Board's work on the OLA Evaluation report.

(7) Other
Chair Olson reported that the "Summary of 2012-2013 Budget Planning," a Legislative Report, dated March 15, 2010, contained good information and he encouraged everyone to read the report. Trustee Rice added that she was impressed with the planning at Minnesota State University Moorhead. Trustee Renier commented that Vice Chancellor King will give a complete overview of the budget planning process in April.

Adjournment
The meeting adjourned at 4:13 PM.

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES

INFORMATION ITEM
FY 2010 Third Quarter Board Operating Budget

BACKGROUND
The Board of Trustees Third Quarter FY 2010 Operating Budget Report will be distributed at the Executive Committee meeting on Wednesday, April 21, 2010.

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES

Agenda Item Summary Sheet

Committee: Executive Committee   **Date of Meeting:** April 21, 2010

Agenda Item: Follow-up to OLA Evaluation of the System Office

| | Proposed Policy Change | | Approvals Required by Policy | | Other Approvals | x | Monitoring |

| | Information |

Cite policy requirement, or explain why item is on the Board agenda:

Board Chair David Olson has assigned certain responsibilities to the executive committee for addressing the findings cited in the February 2010 program evaluation conducted by the Office of the Legislative Auditor *MnSCU System Office*.

Scheduled Presenter(s):

John Asmussen, Executive Director for Internal Auditing

Outline of Key Points/Policy Issues:

➢ This report was publicly released on Tuesday, February 9, 2010.
➢ The Office of the Legislative Auditor presented the findings to the audit committee on February 10, 2010.

Background Information:

➢ The evaluation was requested by the Chancellor and the Board of Trustees Chair, and it was authorized by the Legislative Audit Commission.

BOARD INFORMATION
FOLLOW-UP TO THE OLA'S EVALUATION OF THE SYSTEM OFFICE

BACKGROUND

On February 10, 2010, the Audit Committee met with Legislative Auditor Jim Nobles and his staff to review and discuss their program evaluation report, *MnSCU System Office*. Based on that discussion, the Audit Committee Chair made several recommendations to the Board Chair on how to address the report findings. In a letter to the members of the Board of Trustees dated February 17, 2010, Board Chair David Olson acted on those recommendations and assigned responsibilities to the board committees for addressing the findings cited in the report.

Other board committees are responsible for developing action plans to address most of the recommendations cited in the program evaluation report. The Executive Committee was assigned overall responsibility for the following task (excerpted from Chair Olson's February 17, 2010 letter):

- **Board Oversight: Strengthen oversight of the Office of the Chancellor.** The Legislative Auditor cited this issue as a specific recommendation and provided more direction in a second recommendation regarding measuring administrative productivity and efficiency against reasonable benchmarks. Because of the unique functions delivered by each division of the Office of the Chancellor, the recommendation needs to be addressed division-by-division. Accordingly, I would like each board committee to develop recommended measures and benchmarks for the divisions assigned to it. The Executive Committee will consolidate these recommendations into a cohesive oversight plan. ***Responsibility: Executive Committee coordinates work of all other board committees.***

Rather than have each committee design its own format for this information, the Executive Committee could adopt a common template for the committees to use. The attached draft template incorporates the kind of information recommended by the Legislative Auditor, e.g., multi-year trend data on finances, consulting contracts and employee counts. It also captures information on how the Office of the Chancellor divisions interact with similar activities on the campuses. Finally, it sets the stage for an annual reporting cycle that would cite the recent accomplishments of each division and propose a work plan for the upcoming year. Ideally, such an annual report would be produced in June each year, when the Board holds its annual meeting.

The Executive Committee will discuss whether the presentation of this information in an annual report format would assist the Board with exercising its oversight of the Office of the Chancellor functions. If the committee finds merit with the idea, the Office of the Chancellor will proceed with developing the first report in June 2010.

Date Presented to the Board of Trustee: April 21, 2010

Office of the Chancellor Division Performance Reporting Template

I. Multi-year Financial and Personnel Data

Office of the Chancellor Division

Cost Category / Financing	2008-09 Biennium		2010-11 Biennium	
	2008 Actual	2009 Actual	2010 Estimate	2011 Projected
Salaries & Benefits				
Consulting Contracts				
Other Administrative Costs				
Total Administrative Costs				
Less: Paid from External Funding				
Charged back to colleges/univ				
Net Costs Paid from General Fund				
Division Employee FTE				

II. Explain the structural distribution between the functional duties performed by this division and similar activities performed by the colleges and universities.

III. Cite any recent or planned redistribution of costs or personnel between this division and colleges/universities for this functional area.

IV. Cite performance metrics and major accomplishments from the past year (tie to prior year division/committee work plan, if possible).

V. Identify major division/committee work plan activities planned for upcoming year.

DRAFT – FOR EXECUTIVE COMMITTEE DISCUSSION. April 21, 2010