

# MINNESOTA STATE COLLEGES AND UNIVERSITIES

## BOARD OF TRUSTEES STUDY SESSION

SEPTEMBER 14, 2010

WELLS FARGO PLACE

ST. PAUL, MN

**Trustees Present:** Chair Scott Thiss, Duane Benson, Cheryl Dickson, Clarence Hightower, Philip Krinkie, Dan McElroy, Alfredo Oliveira, Thomas Renier, Louise Sundin, James Van Houten and Michael Vekich

**Trustees Absent:** Jacob Englund, Christopher Frederick, David Paskach and Christine Rice

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### 1. Call to Order

Chair Scott Thiss called the study session to order at 8:35 a.m. and reported that a quorum was present.

### 2. Office of the Chancellor Restructuring Update

Chancellor James McCormick explained that system planning forecasts a gap in the Office of the Chancellor budget of at least \$5,000,000 in FY2012. Over the past several months, the Chancellor and staff have been working on recommendations to close the gap and prepare the office for the next chancellor. The plan represents recommendations from several entities, including:

- the report of the Presidential Structural Review Advisory Committee;
- an office staff survey;
- the OLA study, including specific suggestions stemming from presidential surveys and consultation with leaders of business and other organizations; and
- periodic legislative direction.

The plan will focus the work of the office more tightly in support of strategic and action plans, legal obligations and campus services. It includes:

- Focused Fire/EMS unit;
- Elimination of MnSAT;
- Targeted realignment of ITS;
- General Counsel – no change;
- Board Office – no change;
- Alignment of the Advancement, Government Relations and Public Relations units;
- Redesign of the Center for Teaching and Learning; and
- Streamlining credentialing activity in accordance with presidential wishes.

The Chancellor remarked that the plan avoids any cost shifts to campuses as a means to pay for centralized services. It results in a reduction of approximately 41 FTE and \$4,500,000 in operating costs by July 1, 2011. The Board's Early Separation Incentive has been offered to employees and preliminary interest has been strong. The OLA's recommendations on the system

office also were taken into consideration as the plan evolved. Chancellor McCormick stressed that this plan has very real consequences as the office will have fewer resources. Over the next two days, the Board's policy committees will be informed of the effects of the restructuring on their respective divisions within the Office of the Chancellor.

Trustee Clarence Hightower noted that the Chancellor has laid out clearly the consequences. Trustee Tom Renier agreed, noting that there will be an effect to the system and its institutions. He observed that not shifting costs to campuses but reducing services is contradictory. The Chancellor explained that the presidents had input in these decisions.

Vice Chancellor/Chief Financial Officer Laura King commented that there will be a more detailed report of the consequences once employees have been informed of the restructuring. Vice Chancellor King reported on shared services and partnerships, such as the partnership with the state of Minnesota's Office of Enterprise Technology (OET) with its statewide cable infrastructure. She continued that there are other shared services and partnerships with the University of Minnesota, referring to the shared IT facility on the West Bank. Vice Chancellor King concluded that opportunities for shared services, partnerships and collaborations exist but have yet to be identified.

Chair Thiss thanked the Chancellor for the report, and he encouraged all of the Trustees to be informed and to support the Chancellor during this difficult time.

### **3. Adjournment**

The meeting was adjourned at 9:05 a.m.

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Ingeborg K. Chapin  
Secretary to the Board