

MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
MEETING MINUTES
OCTOBER 18, 2011

Present: Chair Scott Thiss, Trustees Brett Anderson, Duane Benson, Cheryl Dickson, Jacob Englund, Clarence Hightower, Philip Krinkie, Alfredo Oliveira, Dan McElroy, David Paskach, Thomas Renier, Christine Rice, Louise Sundin, James Van Houten, Michael Vekich and Chancellor Steven Rosenstone

1. Call to Order

Chair Scott Thiss called the meeting to order at 3:20 p.m. and reported that a quorum was present.

2. Chair's Report

a. Minutes of Study Session on July 20, 2011

The minutes of the study session on July 20, 2011, were approved as written.

b. Minutes of Board Meeting on July 20, 2011

The minutes of the board meeting on July 20, 2011, were approved as written.

c. Minutes of Special Board Meeting on August 4, 2011

The minutes of the special board meeting on August 4, 2011, were approved as written.

d. Notes of Retreat on September 20, 2011

The retreat notes of September 20, 2011, were approved as written.

e. FY2012 Board Operating Budget

Chair Thiss reported that the Executive committee met on October 5, 2011, and received the report of the board's FY2011 year-end operating budget. The board spent 82 percent of its FY2011 budget of \$213,722. He added that Chancellor Rosenstone requested all divisions to consider reductions to their FY2012 budgets. Chair Thiss remarked the board wishes to participate and a recommendation will be made to the Executive committee at their meeting on November 2, 2011.

3. Chancellor's Report: *Steven Rosenstone*

The chancellor gave the following report:

Governor's State-wide Jobs Tour

Over the past month, Governor Dayton carried out a state-wide listening tour on jobs and economic development. He participated in roundtable discussions with business and community leaders hosted by eight colleges (Minnesota State Community and Technical College in Fergus Falls, Rainy River, Minnesota State College – Southeast Technical in Winona, Central Lakes in Brainerd, South Central in Faribault, Mesabi Range Community and Technical College in Virginia, Northland Community and Technical College in Thief River Falls, and St. Cloud Technical and Community College).

Governor's Jobs Summit

On October 25, Chancellor Rosenstone participated in the Governor's Job Summit in a roundtable discussion with Department of Employment and Economic Development Commissioner Mark Philips on "Aligning Post-Secondary Education & Worker Training with the Jobs of the Future." He also spoke on "Ensuring Workforce for Jobs in Demand" at the closing plenary session moderated by Governor Dayton

Campus Visits

Over the past month, Chancellor Rosenstone traveled to Southwest Minnesota State University, South Central College, and Minnesota State University, Mankato where he met with students, faculty, staff, and community and business leaders.

Health Sciences Building

On October 6, Chancellor Rosenstone joined Trustee Alfredo Oliveira at the opening of the new Health Sciences Building at St. Cloud Technical and Community College.

Greater MSP Delegation

As a member of the Greater Minneapolis – St. Paul delegation to study workforce and economic development, technology innovation, and regional transportation strategies, Chancellor Rosenstone traveled to Portland, Oregon earlier in the month. The delegation included Mayors Chris Coleman and R.T. Rybak, leaders of the region's chambers of commerce, former board chair David Olson, as well as business, community, economic development, and foundation leaders from across the metropolitan area.

P-20 Educational Partnership

Chancellor Rosenstone is chair of the P-20 Educational Partnership – a legislatively created entity that brings together the state's K-12 and higher education leaders as well as representatives from the legislature, business and community. The legislation directs the P-20 Partnership to develop recommendations to the governor and legislature designed to improve educational achievement, access, completion, and the efficient use of resources.

Fall 2011 Enrollment

For the second consecutive fall, more than 200,000 students are enrolled in credit-bearing courses in the 31 Minnesota State Colleges and Universities. An additional 220,000 students are expected to enroll in credit and noncredit courses across the state by the end of the current academic year, bringing the year's total enrollment to well over 400,000 students. The number of students of color rose to 43,141, up 4.6 percent, setting another record high. Students of color now make up 22 percent of students, up from 20.7 percent in fall 2010.

Searches

Two critical searches are progressing – the search for the Vice Chancellor for Academic and Student Affairs and the search for the Vice Chancellor for Advancement. Several members of the Board of Trustees will be participating in the interviews of the finalists, and Chancellor Rosenstone anticipates bringing his recommendations to the Board of Trustees at their November meeting. The search for the president of Winona State University is underway. Additional presidential searches will be announced later this fall.

Southwest Minnesota State University

Interim President Ron Wood has agreed to serve a second year as interim president at Southwest Minnesota State University and a search for president will commence in summer 2012. There is broad, enthusiastic engagement around the initiatives that President Wood has helped to spearhead – the development of a School of Agriculture and Natural Resources, the development of an RN to BSN program, and the expansion of articulation agreements to better serve students who begin in a community college, but would like to complete their baccalaureate degree at SMSU. There is a renewed commitment to partner with business and community leaders to identify and meet the economic needs of the region as well as renewed energy to reach out to potential students who would thrive at SMSU and are crucial to the future vitality of SMSU and the region.

Minnesota Cup

Two of our students, Matt Hudson and Eric Schaupp, in Minnesota State University, Mankato's Iron Range engineering program at Mesabi Range Community and Technical College in Virginia, won the student division of the Minnesota Cup, which is awarded to aspiring entrepreneurs and inventors for breakthrough ideas. They received \$10,000 in seed capital for engineering a lightweight, portable power generator that can run on various fuels, such as kerosene, ethanol or gas. John Stavig, director of the University of Minnesota's Gary S. Holmes Center for Entrepreneurship which organizes the competition, said, "The judges viewed the generator as the biggest idea – the most innovative idea – the one with the largest market potential in the student division." This award recognizes the kind of creativity and innovation that our faculty instill in our students to solve real-world problems. The Iron Range engineering program which grew out of a partnership between Itasca Community College and Minnesota State University, Mankato, and relies on project-based learning, is a national model.

Grants

Last month Northland Community and Technical College was awarded a \$4.8 million grant from the federal Department of Labor to develop a new program in imagery analysis as part of its unmanned aerial vehicles program.

A consortium involving partners from Iowa, Wisconsin, and Minnesota received a \$12.6 million grant to advance health education training in the tri-state area. The Minnesota partners in this job-training initiative are Rochester Community and Technical College, Minnesota State College - Southeast Technical, and Riverland Community College in Albert Lea.

Rosenstone Appointment

On October 4, Governor Dayton appointed Chancellor Rosenstone as a Commissioner to the Midwest Higher Education Compact, a collaboration among 12 states to provide research, strategies, and collaboration; to improve student access, affordability and completion; reduce operational costs; facilitate information exchange; and regional higher education cooperation.

Minnesota State Colleges and Universities

At the October 5 meeting of the Board's Executive Committee, the trustees reminded Chancellor Rosenstone that they would like the confusion over the name of the system office to be resolved. Chancellor Rosenstone has consulted with the cabinet and will consult with the Leadership Council on this question tomorrow. The resolution will be in hand for the November 2 meeting of the Executive committee.

Strategic Framework

Chancellor Rosenstone commented that he appreciated the board's engaging discussion last month of the strategic framework for Minnesota State Colleges and Universities. With the board's endorsement of the framework, the Leadership Council will meet to begin to identify the priority projects moving forward. Once the priorities are set, detailed plans, timelines, and strategies for consultation, leadership, and execution will be developed. Chancellor Rosenstone has begun informal consultation with faculty and student leaders. The framework has been shared with chief diversity officers and human resource teams from across our colleges and universities. He also plans to meet with all of the system's academic deans, chief financial officers, advancement and foundation leadership to discuss and invite input on the framework.

4. Consent Agenda

All matters listed under the Consent Agenda will be enacted by one motion in the form listed below. Any trustee may request that an item or items be removed from the Consent Agenda for independent consideration.

Trustee Jacob Englund requested that item 2, Learning Management System Contract Approval, be removed from the Consent Agenda.

- (1) Hobsons Inc. Contract**
- (2) Learning Management System Contract Approval**
- (3) FY2012 Audit Plan**

Chair Thiss called the question on the remaining Consent Agenda items. Items 1 and 3 were approved and carried.

5. Board Policy Decisions

- (1) Minnesota State University, Mankato Housing Lease**
Trustee Dan McElroy moved that the Board of Trustees approves the lease at 755 Heron Drive, Mankato, Minnesota, consistent with the business terms as described, subject to final approval of the lease terms by the Chancellor or his designee.

Chair Thiss called the question and the motion was approved and carried.

(2) Construction Project, Riverland Community and Technical College

Trustee McElroy moved that the Board of Trustees approves the construction project with all documents to be reviewed by the Chancellor's designee prior to execution.

Chair Thiss called the question and the motion was approved and carried.

(3) Reallocation of Revenue Bond Proceeds, St. Cloud State University

Trustee McElroy moved that the Board of Trustees add the Phase 1 National Hockey and Events Center to the revenue fund, and

a) Authorized the use of up to \$3 million of taxable bond proceeds available from the 2009 and/or 2011 revenue bond sales and related university contributions as described on pp. 37-40 of the Finance and Facilities Committee's meeting materials to complete Phase 1 work, and

b) All other terms and conditions of the board's original action in March 2010 are continuing including the St. Cloud State University Foundation financial commitment to providing the remainder of funding necessary for the completion of Phase 1 project in the National Hockey and Events Center.

Chair Thiss called the question and the motion was approved and carried with two nays, Trustees Brett Anderson and Philip Krinkie.

(4) Tuition Waiver Request - Northland Community & Technical College

Trustee McElroy moved that the Board of Trustees approve a tuition waiver for courses in Northland Community and Technical College's Unmanned Aerial Systems (UAS) program that have a prefix of UAST.

This waiver is approved for fall and spring semesters of academic year 2012, fall semester of academic year 2013, and a prorated portion of spring semester 2013.

Chair Thiss called the question and the motion was approved and carried.

(5) Learning Management System Contract Approval

Trustee McElroy moved that the Board of Trustees approve entering into a contract with Desire2Learn Ltd., as the enterprise Learning Management System solution for the Minnesota State Colleges and Universities for the cost of licensing and support with the initial term of six years with four options to renew in one year increments not to exceed \$14,500,000 dollars. The board directed the chancellor or his designee to execute all necessary documents.

Chair Thiss called the question and the motion was approved and carried with three nays, Trustees Jacob Englund, Philip Krinkie and Alfredo Oliveira.

6. Board Standing Committee Reports

a. Audit Committee

James Van Houten, Chair

- (1) Proposed Amendment to Board Policy 1D.1 Office of Internal Auditing (First Reading)

Committee Chair James Van Houten reported that the committee heard a first reading of the proposed amendment to Board Policy 1D.1 Office of Internal Auditing. The amendment is to align the Audit division guidelines with international auditing standards, also it removes consulting responsibility. A second reading for approval will be heard at the next meeting.

- (2) Review Annual Internal Auditing Report for FY2012, Including Status of Unresolved Findings

Committee Chair Van Houten reported that the committee heard a report on the Review Annual Internal Auditing Report for FY2012, Including Status of Unresolved Findings. He stated that the annual report showed outstanding audit findings for FY2011.

- (3) Roles and Responsibilities of the Audit Committee Members

Trustee Van Houten reported that the committee discussed the roles and responsibilities of the Audit Committee Members.

b. Finance and Facilities Committee

Dan McElroy, Chair

- (1) Finance and Facilities Update

Committee Chair McElroy reported that the committee heard an update from Vice Chancellor King on the activities of the Finance and Facilities division.

c. Academic and Student Affairs Committee

Christine Rice, Chair

- (1) Proposed Amendment to Board Policy 3.36 Academic Programs (First Reading)

Committee Chair Christine Rice reported that the committee heard a first reading of the proposed amendment to Board Policy 3.36 Academic Programs. A second reading for approval will be heard at the next meeting.

7. Joint Council of Student Associations

- a. Minnesota State College Student Association (MSCSA)

There was no report from the MSCSA representative.

- b. Minnesota State University Student Association (MSUSA)

There was no report from the MSCSA representative.

8. Minnesota State Colleges and Universities' Bargaining Units

a. Inter Faculty Organization

Dr. Donald Larsson, President, addressed the Board of Trustees.

b. Administrative and Service Faculty

There was no report from the Administrative and Service Faculty representative.

c. Minnesota State College Faculty

There was no report from the Minnesota State College Faculty representative.

d. Minnesota Association of Professional Employees

There was no report from the Minnesota Association of Professional Employees representative.

e. American Federation of State, County and Municipal Employees

There was no report from the American Federation of State, County and Municipal Employees representative.

9. Trustees' Reports

Trustee Thomas Renier commented that The Northstar Foundation, Blandin and others supported the Minnesota Cup award that was won by students Matt Hudson and Eric Schaupp.

Trustee Cheryl Dickson commended Maria McLemore and Lynda Milne, co-chairs of the installation planning committee, for their excellent work.

Trustee Oliveira reported that he visited St. Cloud Technical and Community College.

Trustee Louise Sundin reported that she attended the Association of Community College Trustees (ACCT) Leadership Congress in Dallas, Texas. She remarked on the value of participating at the ACCT conferences as well as the Association of Governing Boards (AGB). She also reported that she attended a fundraiser at Hennepin Technical College.

Trustee Christine Rice reported that she and Trustee Englund spoke to a state and local government class at Century College.

Trustee Anderson reported that he attend the MSUSA Board meeting and shared the chancellor's strategic framework.

Trustee Van Houten reported that he is attending the American Council of Trustees and Alumni annual meeting and will moderate a panel on state and accountability.

10. Other Business

Chair Thiss reported that following adjournment the board will meet in Closed Session as part of the Chancellor's evaluation process pursuant to Minnesota Statutes § 13D.05, subd. 3(a) (Minnesota Open Meeting Law) (2011).

11. Adjournment

Chair Thiss adjourned the meeting at 4:15 PM.

Ingeborg K. Chapin
Secretary to the Board