

**MINNESOTA STATE COLLEGES AND UNIVERSITIES**  
**BOARD OF TRUSTEES**  
**MEETING MINUTES**  
**APRIL 17, 2013**

**Present:** Chair Clarence Hightower, Trustees Ann Anaya, Brett Anderson, Margaret Anderson Kelliher, Duane Benson, Alexander Cirillo, Cheryl Dickson, Dawn Erlandson, Philip Krinkie, David Paskach, Maria Peluso, Louise Sundin, Michael Vekich and Chancellor Steven Rosenstone

**Absent:** Trustees Alfredo Oliveira and Thomas Renier

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**1. Call to Order**

Chair Clarence Hightower called the meeting to order at 2:20 PM and announced that a quorum was present.

Chair Hightower reported that the Board of Trustees Awards in Teaching were announced during a luncheon earlier in the day. There were 32 Outstanding Educators in fields such as accounting, art, business, communications, dental assisting, English, fire protection, history, information technology, math, nursing and psychology. Four faculty members received the Educator of the Year Award. They are:

- Andrew Aspaas, chemistry instructor, Anoka-Ramsey Community College in Cambridge and Coon Rapids;
- Alan Erdahl, biology instructor, Riverland Community College in Albert Lea;
- Darci Goeden, nursing instructor, Central Lakes College in Brainerd; and
- Susan Thaemert, dental assistant instructor, Hennepin Technical College.

**2. Chair's Report**

**(1) Minutes of Board of Trustees Study Session, Fiduciary Training on Retirement Programs, March 20, 2013**

The minutes of the Board of Trustees Study Session on Fiduciary Training on Retirement Programs on March 20, 2013, were approved as written.

**(2) Minutes of Board of Trustees Study Session, Update on Implementation of Strategic Framework: Driving Outcomes and Metrics, March 20, 2013**

The minutes of the Board of Trustees Study Session, Update on Implementation of Strategic Framework: Driving Outcomes and Metrics on March 20, 2013, were distributed and will be held over for approval at the May 22, 2013, meeting.

**(3) Minutes of Board of Trustees Meeting, March 20, 2013**

The minutes of the Board of Trustees meeting on March 20, 2013, were approved as written.

**3. Chancellor's Report: Steven Rosenstone**

Chancellor Steven Rosenstone provided an update on the legislative session. He reported that there is strong support for higher education in both the Minnesota House and Senate Committee bills, and in the governor's recommendation. The budget targets for higher education are \$263 million dollars in new spending in the governor's budget, \$263 million

dollars in the Senate and \$150 million dollars in the House budget bills. The positive targets for reinvestment in higher education are appreciated.

The House and Senate higher education bills take different approaches. The House bill recommends appropriation to MnSCU of \$78 million dollars all of which would be used to replace tuition. All new funding from the state of Minnesota would replace, or be instead of, any tuition increase over the biennium. This tuition replacement approach results in somewhere between a \$17 and \$61 million gap in resources needed by the colleges and universities. It depends on how the \$44 million dollar reallocation is counted. It has already been committed to in the system's budget proposal. The bill also contains language that reads: "if appropriations in the bill are insufficient to meet our obligations in the labor contracts then we need to cover increased labor costs through reductions in executive positions, central administration, as well as executive positions on our individual campuses."

The colleges and universities would face very serious budget cuts if this language is enacted. Vice Chancellor Laura King has clearly expressed these concerns to the committee. The bill also includes \$11 million for the State Grant Program to fund a one-time expenditure for independent students. The House Higher Education Finance and Policy Committee passed the bill on April 15, 2013. It will next go the Ways and Means Committee and then to the House floor.

The Senate bill proposes that the legislature appropriate \$80 million in new funding to the colleges and universities. Their recommendation includes some support, not complete support, for all of the initiatives that were contained in the Board's budget proposal, internships, leveraged equipment, education innovations and support to grow high demand professions, competitive compensation for faculty and staff, and support for initiatives to scale-up across the system the best practices to increase retention, completion and success of our students. In addition to the accountability measures proposed in the system's legislative request, more funding for internships and high demand professions, the bill contains five additional performance metrics championed by the chair of the Senate Higher Education Committee. Under the proposed language, five percent of the system's FY2015 appropriation, \$27.8 million dollars, would be contingent upon meeting three of the five established goals in addition to meeting the goals that were proposed in the system's request. Concerns have been expressed about the amount of the hold-back and the timeframe associated with it. For purposes of effective planning, the five percent funding hold-back that goes back to the colleges and universities would result in tremendous disruption and uncertainty for the colleges and universities as they are planning for the biennium.

The Senate bill also includes \$80 million in new funds for the State Grant Program. Included in the Senate bill is a pilot program for part-time working students. System students have been working very hard on this issue in collaboration with system leaders, who, along with the Board of Trustees, support the proposal that was brought forward and is contained in the Senate's bill.

If the Senate's State Grant proposal is enacted, MnSCU students would receive approximately \$27 million of the \$80 million dollars that would be provided by the new funds to the State Grant Program. The bill passed the Senate Higher Education Committee on April 9, and the Senate Finance Committee on April 15.

With respect to the capital request, there is legislative consideration of an off-year bonding bill. The governor's proposal includes \$89 million dollars for MnSCU, while the House bill includes \$109 million dollars. The Senate has not yet released its details.

Chancellor Rosenstone recognized the college and university presidents who worked hard to help legislators recognize and understand the impacts of various legislative proposals, providing facility tours, explaining our capital requests and most important, the Higher Education Asset Preservation and Replacement (HEAPR) request.

**4. Consent Agenda**

**(1) St. Cloud State University Contract Approval Exceeding \$3 Million for TV Studio Upgrade**

*Committee Chair Michael Vekich moved approval of the Consent Agenda. The motion was seconded and carried.*

**5. Board Policy Decisions**

**(1) Proposed Board Policy 5.24 Safety and Security Compliance (Second Reading)**

*Committee Chair Vekich moved that the Board of Trustees approve Board Policy 5.24 Safety and Security Compliance. Chair Hightower called the question and the motion carried.*

**6. Board Standing Committee Reports**

**a. Audit Committee**

*Philip Krinkie, Chair*

**(1) Review Results of Financial Aid Audits**

Committee Chair Philip Krinkie reported that the committee reviewed the results of the Financial Aid Audits that were performed by CliftonLarsonAllen, LLP. There were only three findings.

**(2) Review Results of Internal Control and Compliance Audit of Banking Controls**

Committee Chair Krinkie reported that the Office of Internal Auditing, led by Beth Buse, Executive Director, undertook an internal control and compliance audit of banking controls. There were few concerns. Colleges, universities and the system office had adequate internal controls. Chair Krinkie acknowledged the work performed by campus staff and the Internal Auditing staff.

**b. Finance and Facilities Committee**

*Michael Vekich, Chair*

**(1) Study Session: Allocation Framework 101**

Committee Chair Vekich reported that the Finance and Facilities Committee met in a study session on the Allocation Framework. The committee is looking forward to the report and recommendations of the Strategic Workgroups.

**c. Academic and Student Affairs Committee**

*Duane Benson, Chair*

**(1) Proposed Amendment to Board Policy 3.18 Honorary Degrees (First Reading)**

Committee Chair Duane Benson reported that the committee had three first readings on proposed amendments to Board policies. The first one was an amendment to Board Policy 3.18 Honorary Degrees. The amendment, in part, streamlines the

reporting process in the related procedure. The proposed amendment will be presented for a second reading at the May meeting.

(2) Proposed Amendment to Board Policy 2.2 State Residency Requirements (First Reading)

Committee Chair Benson reported that the committee reviewed an amendment to Board Policy 2.2 State Residency Requirements. The amendment clarifies the definition of state residency used for determining student eligibility to pay in-state tuition rates. The proposed amendment will be presented for a second reading at the May meeting.

(3) Proposed Amendment to Board Policy 3.24 System and College and University Missions (First Reading)

Committee Chair Benson reported that the committee reviewed an amendment to Board Policy 3.24 System and College and University Missions. The policy required missions to be reviewed every five years. The amendment removes that requirement and also refines the requirements to change institution type and to align them with the Higher Learning Commission criteria for accreditation. The proposed amendment will be presented for a second reading at the May meeting.

(4) Annual Program Inventory Report: Meeting Workforce Needs

Committee Chair Benson reported that the committee reviewed the annual program inventory report on meeting workforce needs. There was a discussion on evaluating the various course offerings.

**d. Study Session: Joint Meeting of the Diversity and Equity and Human Resources Committees**

*Cheryl Dickson and Thomas Renier, Co-Chairs*

• Increasing the Diversity of Faculty and Staff

Committee Chair Cheryl Dickson reported that the Diversity and Equity and Human Resources Committees met for a study session on creating a diverse workforce. The members were pleased with the gains in nearly every segment. There were questions and requests for additional information, but there was not enough time for a full discussion. Chair Dickson announced that the members wished to convene again. Chair Hightower replied that additional time will be scheduled.

**e. Human Resources Committee**

*David Paskach, Vice Chair*

Committee Vice Chair David Paskach reported on the Human Resources Committee meeting.

**(1) Appointment of Interim President of Dakota County Technical College**

Committee Vice Chair Paskach provided a brief summary of the recommendation of an interim president of Dakota County Technical College that the Human Resources Committee heard earlier. He said that Chancellor Rosenstone thanked Ron Thomas for his outstanding service as president of Dakota County Technical College. The chancellor recommended Tim Wynes as the interim president of Dakota County Technical College. During a visit to the college, Chancellor Rosenstone assured the faculty, students and staff that he is committed to recommended to the board the best possible individual to

serve as interim president. He also assured them that there were no plans to merge or align the college. The current focus is the appointment of an interim president and a search for a permanent president.

President Wynes will assume these responsibilities in addition to his current responsibilities as president of Inver Hills Community College. President Wynes has tremendous experience and character; he knows Dakota County Technical College well and has great knowledge of its commitment to Dakota and Scott Counties. He can immediately step in and provide the required leadership.

Committee Vice Chair Paskach reported that the Human Resources Committee has recommended that the Board approve the following motion:

*The Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoints Tim Wynes as interim president of Dakota County Technical College effective July 1, 2013, subject to the completion of an employment agreement. The board authorizes the chancellor, in consultation with the chair of the board and chair of the Human Resources Committee to negotiate and execute an employment agreement in accordance with the terms and conditions of the MnSCU Personnel Plan for Administrators.*

*Chair Hightower called the question and the motion carried unanimously.*

Chair Hightower announced that President Wynes could not be present for today's meeting, but he will be at Dakota County Technical College later today for a formal introduction.

**(2) Appointment of Interim Vice Chancellor of Academic and Student Affairs**

Committee Vice Chair Paskach reported that shortly after Vice Chancellor Douglas Knowlton announced his intention to leave the system office at the end of the academic year, an internal search was begun for an interim vice chancellor. Chancellor Rosenstone recommended John O'Brien as the interim vice chancellor of academic and student affairs.

Committee Vice Chair Paskach explained that Dr. O'Brien did not initially apply. The chancellor, convinced that he was the right person, persuaded him to reconsider with the understanding that he would be able to return to North Hennepin Community College, where he currently serves as president. A strong interim person will be identified to serve in his absence. Dr. O'Brien's initial reluctance is now full-fledged excitement and engagement for the opportunity.

Committee Vice Chair Paskach read the following motion:

*The Board of Trustees, upon the recommendation of Chancellor Rosenstone, appoints John O'Brien as interim vice chancellor of academic and student affairs effective June 1, 2013, subject to the completion of an employment agreement. The board authorizes the chancellor, in consultation with the chair of the board and chair of the Human Resources Committee to negotiate and execute an employment agreement in accordance with the terms and conditions of the MnSCU Personnel Plan for Administrators.*

*Chair Hightower called the question and the motion carried unanimously.*

Dr. O'Brien thanked the Board of Trustees and Chancellor Rosenstone. He reflected on his earlier experience a decade ago when he first left a campus to join the system office. He said he is honored, humbled, energized and looking forward to returning to the system office.

**(3) Approval of Minnesota State College Faculty Contract**

Committee Vice Chair Paskach reported that the Human Resources Committee met in closed session earlier today for a summary of the negotiations on the Minnesota State College Faculty Contract. The Human Resources Committee met later in open session and approved the following motion:

*The Board of Trustees approves the terms of the 2011-2013 labor agreement between Minnesota State Colleges and Universities and the Minnesota State College Faculty and authorized Chancellor Steven Rosenstone to sign the agreement on behalf of the Board of Trustees.*

*Chair Hightower called the question and the motion carried unanimously.*

**(4) Approval of Minnesota State Colleges and Universities Personnel Plan for Administrators**

Committee Vice Chair Paskach read the following motion:

*The Board of Trustees approves the MnSCU Personnel Plan for Administrators for 2011-2013, and authorizes the chancellor or his designee to take all measures they deem appropriate to secure legislative approval to implement the plan.*

*Chair Hightower called the question and the motion carried unanimously.*

**7. Trustees' Reports**

Chair Hightower announced that Trustee Margaret Anderson Kelliher has been named by the Minneapolis / St. Paul Business Journal as one of 50 women recognized for their professional achievements, leadership qualities and contributions to the broader Twin Cities community.

Chair Hightower commented that Trustees Ann Anaya and Maria Peluso's confirmation hearing before the Senate Higher Education and Workforce Development Committee is on April 18, 2013. Trustees Brett Anderson, Margaret Anderson Kelliher, Alex Cirillo and Dawn Erlandson were confirmed in February.

Trustee Anderson Kelliher commented that she traveled with Chancellor Rosenstone and President-Elect Dr. Annette Parker to South Central College. Her receptions in Faribault and North Mankato were outstanding. People in the college and broader communities are very excited about her appointment.

Trustee Benson reported that he had a similar experience when he went with Dr. Rosenstone to introduce President-Elect Dr. Adenuga Atewologun to the Riverland Community Colleges in Albert Lea, Austin and Owatonna. There was a lot of excitement about his appointment. Trustee Benson also reported that he was the keynote speaker at Normandale Community College's Scholar Commencement Employer Connection. Normandale Community College received a \$1.2 million dollar grant from the U.S. Department of Health and Human Services to

develop a Health IT (HIT) Professional training program for current and future healthcare and information technology professionals who will integrate electronic health record (EHR) information systems at hospitals, clinics, and related facilities and agencies throughout the nation. Doctors and nurses were among the 166 students who participated in the six-month program. Twenty employers partner with the training program.

**8. Joint Council of Student Associations**

Before calling on the leaders of the student associations, Chair Hightower thanked Moriah Miles, state chair, Minnesota State University Student Association, and Steve Sabin, president, Minnesota State College Student Association, for their article in support of the system's legislative request that was published in the *Star Tribune* on April 1, 2013.

- a. Minnesota State University Student Association (MSUSA)  
Moriah Miles, state chair, addressed the Board of Trustees.
- b. Minnesota State College Student Association (MSCSA)  
Steve Sabin, president, addressed the Board of Trustees.

**9. Minnesota State Colleges and Universities' Bargaining Units**

- a. Inter Faculty Organization  
Dr. Nancy Black, president, addressed the Board of Trustees.
- b. Administrative and Service Faculty  
There were no comments from the Administrative and Service Faculty.
- c. Minnesota State College Faculty  
Greg Mulcahy, president, addressed the Board of Trustees.

Chancellor Rosenstone commented that there will be a new president of the Minnesota State College Faculty. He thanked President Mulcahy for his leadership and wished him well on his sabbatical.

- d. Minnesota Association of Professional Employees  
There were no comments from the Minnesota Association of Professional Employees.
- e. American Federation of State, County and Municipal Employees  
There were no comments from the American Federation of State, County and Municipal Employees.

**10. Adjournment**

Chair Hightower announced that the Executive Committee will meet on May 2, 2013, at 8:00 am. The next regular meeting of the Board of Trustees will be on May 21 and 22, 2013.

Chair Hightower adjourned the meeting at 3:30 pm.

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Ingeborg K. Chapin  
Secretary to the Board