

Minnesota State Colleges and Universities
Board of Trustees
Minutes of June 19, 2013

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

Absent: Trustee Michael Vekich

1. Call to Order

Chair Clarence Hightower called the meeting to order at 1:55 PM and announced that a quorum was present. Trustee Alfredo Oliveira participated by telephone.

2. Chair's Report: *Clarence Hightower*

(1) Minutes of Board of Trustees Study Session, Enterprise Risk Management on May 22, 2013

The minutes of the Board of Trustees Study Session, Enterprise Risk Management, on May 22, 2013, were approved as written.

(2) Minutes of the Board of Trustees Meeting on May 22, 2013

The minutes of the Board of Trustees Meeting on May 22, 2013, were approved as written.

(3) Report of Closed Session Meeting of the Board of Trustees on the Chancellor's Annual Performance Evaluation, June 18, 2013

Chair Hightower reported that the board met in a closed session on June 18, 2013, to conduct Chancellor Rosenstone's annual performance evaluation. The evaluation was positive, and the board was unanimous in its view that the chancellor's performance during his second year has been outstanding. At the conclusion of last year's evaluation, the board asked the chancellor to "keep his foot on the gas" in driving the Strategic Framework. The chancellor's accomplishments over the past nine months are evidence that he has indeed kept his foot on the gas.

During the past year, Chancellor Rosenstone clearly articulated the most pressing operational and long-term strategic issues facing higher education, the system and its colleges and universities that must be addressed if we are to be successful in fulfilling our mission. The chancellor has presented these challenges in a compelling manner and with an appropriate sense of urgency, which has resulted in an increased understanding of these issues among key constituencies and increased collaboration in addressing them. He appointed three workgroups to assess the challenges facing higher education and the MnSCU system and to make recommendations for addressing these challenges over the next five to ten years.

He forged partnerships with business, political, community, non-profit and higher education leaders to aggressively drive actions required for Minnesota's prosperity. During the year, the chancellor met with dozens of individuals and groups to discuss the critical role of public education and MnSCU in growing the state's economy and tirelessly advocated for the system's FY2014-2015 legislative request at the capitol. The result was the first new funding for MnSCU since 2007.

Earlier today we heard about the great progress that is being made in advancing the work of the Campus Service Cooperative in identifying and realizing systemwide efficiencies and cost savings in finance, human resources and financial aid processes and through strategic sourcing. Working together with our college and university presidents and system leadership, the chancellor has implemented new institutional performance metrics and set aggressive targets for improvement – key not only to tracking progress, but also in meeting our commitment to transparency in our operations. The board has reviewed the chancellor's performance against the goals that were established, and he has successfully met all of them. In sum, his performance has been absolutely outstanding. He has shown himself to be a visionary leader who cares passionately for our students and works tirelessly on their behalf. On behalf of the entire board, Chair Hightower thanked Chancellor Rosenstone for an outstanding job.

Chair Hightower called upon Vice Chair Thomas Renier for comments. Vice Chair Renier stated that put succinctly, under Chancellor Rosenstone's leadership, it was a very good year for the system, its employees and its students. As a result of what was accomplished, the system is better able to meet the needs of the communities it serves. The system's standing in the eyes of external stakeholders, the public, legislators, civic leaders and the business community has been strengthened.

In looking ahead, the challenges the system faces: the strategic direction, the actions it must take to deliver the outcomes that Minnesota needs to succeed, and the partnerships necessary to deliver those outcomes have never been more clear or stronger than they are today. Minnesota State Colleges and Universities and higher education are at an inflection point. The board remains extraordinarily enthusiastic about the strategy and direction of Minnesota State Colleges and Universities under Chancellor Rosenstone's leadership.

Last year, the board encouraged Chancellor Rosenstone to "keep his foot on the gas" in driving the vision and strategies he has articulated. With the agenda that the chancellor has presented for the coming year, it looks like the system will be flying, so we are suggesting that he "keep the stick at full throttle."

Chair Hightower commented that the board's current employment agreement with Chancellor Rosenstone concludes on July 31, 2014. In accordance with article three of that agreement, "No later than the start of the third year of the agreement, the parties shall enter into negotiations for a subsequent employment agreement." Chair Hightower explained that the board will be asked to approve a motion authorizing the chair to enter into negotiations with Chancellor Rosenstone to forge a second employment agreement, which does not include a bonus clause.

Chair Hightower moved that the Board of Trustees authorizes payment of the full performance pay provided for FY2013 in Chancellor Rosenstone's employment agreement, and authorizes the chair of the board to set the salary for the chancellor for FY2013, consistent with the provisions of the Personnel Plan for MnSCU administrators. In addition, the Board of Trustees authorizes the chair of the board to negotiate the terms of a second employment agreement with the chancellor, in accordance with the terms and conditions of the Personnel Plan for MnSCU administrators, provided such agreement does not include a performance incentive provision.

The motion was seconded and carried unanimously.

(4) Proposed FY2014-2015 Meeting Calendar (Second Reading)

Chair Hightower reviewed the proposed meeting dates for FY2014 and 2015.

FY 2014 Meeting Dates:

Meeting	Date	If agendas require less time, these dates will be cancelled
Board Retreat	September 17-18, 2013	
Executive Committee	October 2, 2013	
Committee / Board Meetings	October 22-23, 2013	October 22, 2013
Committee / Board Meetings	November 19-20, 2013	November 19, 2013
Committee / Board Meetings	January 21-22, 2014	January 21, 2014
Executive Committee	March 5, 2014	
Committee / Board Meetings	March 18-19, 2014	March 18, 2014
Committee / Board Meetings, Awards for Excellence in Teaching	April 22-23, 2014	
Executive Committee	May 7, 2014	
Committee / Board Meetings	May 20-21, 2014	May 20, 2014
Committees / Annual Board Meeting	June 17-18, 2014	

FY 2015 Meeting Dates:

Orientation and Board Retreat (Anticipate Six New Trustees)	September 16-17, 2014	
Committee / Board Meetings	October 21-22, 2014	October 21, 2014
Committee / Board Meetings	November 18-19, 2014	November 18, 2014
Committee / Board Meetings	January 20-21, 2015	January 20, 2015
Committee / Board Meetings	March 17-18, 2015	March 17, 2015
Committee / Board Meetings, Awards for Excellence in Teaching	April 21-22, 2015	
Committee / Board Meetings	May 19-20, 2015	May 19, 2015
Committees / Annual Board Meeting	June 16-17, 2015	

Chair Hightower moved that the Board of Trustees approve the FY2014-2015 Meeting Calendar. The motion was seconded and carried unanimously.

(5) Special Recognitions

Chair Hightower recognized Trustee Brett Anderson whose term as the state university student representative is scheduled to end on June 30. Chair Hightower thanked Trustee Anderson for his dedication, contributions and outstanding participation as student trustee on the board.

Chancellor Steven Rosenstone commented that five presidents' service to Minnesota State Colleges and Universities will end with their retirement at the end of June. They are Presidents Jessica Stumpf, Anoka Ramsey Community College and Anoka Technical College; Ron Thomas, Dakota County Technical College; Ron Wood, Southwest Minnesota State University; Keith Stover, South Central College; and Don Supalla, Rochester Community and Technical College. Chancellor Rosenstone recognized and thanked each one individually for their strong commitment to students, their dedication and stewardship of the colleges and universities, as well as their support to him.

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

Chancellor Rosenstone spoke to the remarkable work accomplished by the "Charting the Future" Strategic Workgroups. He thanked the trustees for their support and confidence. Chancellor Rosenstone praised the collaboration, dedication and commitment amongst the presidents. He added that thirty-eight performance reviews were recently completed. He recognized and thanked faculty members, staff and student associations, the leadership council and all who participated in the work.

Chancellor Rosenstone especially thanked the people of Minnesota, in particular, Governor Mark Dayton and the legislature for their support of the system. Chancellor concluded his remarks emphasizing the system's strong commitment to delivering an extraordinary education and being the partner of choice.

4. **Consent Agenda**

- (1) **Approve Annual Audit Plan for Fiscal Year 2014**
- (2) **Campus Service Cooperative Results and Contract Governance Including Approval of Several Contracts Exceeding \$3 Million.**
- (3) **Campus Service Cooperative Contract Approval Exceeding \$3 Million for Cycle Two (IBM)**

Trustee Margaret Anderson Kelliher moved approval of the Consent Agenda. The motion was seconded and carried unanimously.

5. **Board Policy Decisions**

- (1) **Fiscal Year 2014 Operating Budget (Second Reading)**

Committee Vice Chair David Paskach moved that the Board of Trustees approves:

a. Adopted the annual total operating budget for fiscal year 2014 in [Table F](#). Pursuant to Board Policy 5.9, the Board of Trustees will be periodically provided systemwide budget updates for all funding sources on an exception reporting basis.

b. Approved the proposed tuition structure recommendations for fiscal year 2014 as detailed in [Attachments 1A through 1E](#).

c. All tuition increases are effective Summer Term or Fall Term 2013 at the discretion of the president. The chancellor is authorized to approve tuition structures for new courses or programs proposed after this date, as well as any required technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2015 tuition recommendations are presented to the Board of Trustees.

d. The Board of Trustees continues the policy of market-driven tuition for closed enrollment courses, customized training, and non-credit instruction, continuing education, and contract postsecondary enrollment option programs.

e. Approved the Revenue Fund and related fiscal year 2014 fees for room and board, student union, wellness and recreation facilities, and parking ramps/surface lots as detailed in [Attachments 2A through 2D](#), including any housing fees that the campuses may charge for occupancy outside the academic year. Approved the fiscal year 2014 fees structure for room and board for colleges who either own or manage student housing as detailed in [Attachments 2E and 2F](#).

The Chancellor is authorized to approve fee structures for any new revenue fund programs as well as any technical adjustments, and is requested to incorporate any approvals at the time fiscal year 2015 recommendations are presented to the Board of Trustees.

The motion was seconded and carried unanimously.

(2) 2014 Capital Budget Request (Second Reading)

Committee Vice Chair Paskach moved that the Board of Trustees approves the 2014 capital bonding request as presented in [Attachment A](#), specifically the projects and priorities for 2014. The chancellor is authorized to make cost and related adjustments to the request as required, and to forward the request through Minnesota Management and Budget to the governor for consideration in the state's 2014 capital budget. The chancellor shall advise the board of any subsequent changes in the capital bonding request prior to the 2014 legislative session. In addition, as funding is authorized and appropriated by the legislature and approved by the governor, the chancellor or his designee are authorized to execute those contracting actions necessary to deliver on the project scope and intent.

The motion was seconded and carried unanimously.

(3) Other

Chair Hightower announced that the work of the Diversity and Equity Committee will continue in the coming year. He thanked Whitney Stewart Harris, former executive director, for his contributions. A search is underway for an executive director who will be hired in the fall. Chair Hightower also thanked Trustees Cheryl Dickson and Brett Anderson for their leadership as chair and vice chair of the committee.

6. Board Standing Committee Reports

a. Audit Committee

Philip Krinkie, Chair

- (1) **Review Results of Bemidji State University and Northwest Technical College Internal Control and Compliance Audit**

Committee Chair Philip Krinkie reported that the committee heard a report on the results of the internal control and compliance audit of Bemidji State University and Northwest Technical College. The report contained six findings and recommendations to assist university management in improving business processes, controls and accountability.

- (2) **Review Results of Audit Risk Assessment**

Committee Chair Krinkie reported that the committee heard a presentation on the results of the audit risk assessment including information technology audit. The assessment identified enterprise, financial and information technology risk factors.

b. Finance and Facilities Committee

Michael Vekich, Chair

Committee Vice Chair Paskach reported on the Finance and Facilities Committee.

c. Academic and Student Affairs Committee

Duane Benson, Chair

- (1) **Increasing Baccalaureate Degrees in the Twin Cities Metro Area**

Committee Chair Duane Benson reported that the committee heard a presentation on increasing baccalaureate degrees in the twin cities metro area. An overview was given of the current needs, strategies, outcomes and options to accelerate the number of state university baccalaureate degree programs in a growing population and economy.

7. Trustee Reports

There were no trustee reports.

8. Joint Council of Student Associations

- a. Minnesota State University Student Association (MSUSA)
Alexandra Griffin, 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
Mr. Adam Klepetar, president, addressed the Board of Trustees.

10. Other Business

• **Election of Officers**

Chair

Vice Chair Renier announced that Trustee Clarence Hightower was the candidate for the position of Chair. He called for other nominations and there were none.

Vice Chair Renier moved the nomination for Trustee Hightower for the position of Chair. The motion carried unanimously.

Vice Chair

Chair Hightower announced that Trustee Tom Renier was the candidate for the position of Vice Chair. He called for other nominations and there were none.

Chair Hightower moved the nomination for Trustee Renier for the position of Vice Chair. The motion carried unanimously.

11. Adjournment

Chair Hightower announced that the next meeting of the Board of Trustees will be a retreat on September 17-18, 2013. Chair Hightower adjourned the meeting at 3:00 PM.

Ingeborg K. Chapin
Secretary to the Board