

Minnesota State Colleges and Universities
Board of Trustees Minutes
November 20, 2013

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

Absent: Trustees Cheryl Dickson and Michael Vekich

1. Call to Order

Chair Clarence Hightower called the meeting to order at 2:40 PM and announced that a quorum was present. Trustees Alfredo Oliveira and Maria Peluso participated by telephone.

2. Chair's Report: *Clarence Hightower*

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

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

(2) Minutes of Board of Trustees Study Session, IT Security on October, 22, 2013

The minutes of the October 22, 2013 Board of Trustees Study Session on IT Security were approved as written.

(3) Minutes of Board of Trustees Meeting on October 23, 2013

The minutes of the October 23, 2013 Board of Trustees Meeting were approved as written.

3. Chancellor's Report: *Steven Rosenstone*

Brian Wisenden Named Minnesota Professor of the Year

Chancellor Rosenstone reported that the Carnegie Foundation for the Advancement of Teaching named Minnesota State University Moorhead Biosciences Professor Brian Wisenden "The 2013 Minnesota Professor of the Year." The Carnegie Foundation Professors of the Year award program is the only national program that recognizes excellence in undergraduate education. Dr. Wisenden is the third faculty member in the past eight years from the university's biosciences department to be named Minnesota Professor of the Year. Since joining the biosciences department in 1998, Professor Wisenden has mentored 137 students of which 68 of the undergraduates are co-authors on research articles published in international peer-reviewed journals and two are co-authors on a chapter. Nearly all of those students have presented at regional, national and international meetings. Chancellor Rosenstone commented that this kind of recognition exemplifies what we mean when we talk about our faculty delivering an extraordinary education to all Minnesotans. Chancellor Rosenstone offered his sincere congratulations to Professor Brian Wisenden as the 2013 Minnesota Professor of the Year.

Gates Grant to Nine-State Collaborative to Measure Student Learning

Chancellor Rosenstone announced the receipt of a grant from the Bill & Melinda Gates Foundation. The grant will support the participation of three of our colleges and three of our universities in a collaboration of nine states and fifty colleges and universities. The collaboration will pilot strategies to develop better ways to accurately gauge learning outcomes including what students know and how they apply their knowledge. Chancellor Rosenstone thanked President Earl Potter, President Ron Anderson, and Interim Vice Chancellor John O'Brien who represented MnSCU in this multi-state collaboration. The other states participating in this project are Massachusetts, Connecticut, Indiana, Kentucky, Missouri, Oregon, Rhode Island and Utah.

Lowest Cost Education

Chancellor Rosenstone remarked that since the October board meeting, the Chronicle of Higher Education published the tuition and fees for all colleges and universities in Minnesota. Once again this year, Minnesota State Colleges and Universities have the lowest tuition and fees of all 94 institutions in the state. Tuition and fees at our colleges are about 1/3 the cost of private colleges; the tuition and fees at our universities are about 1/5 the cost of private baccalaureate granting institutions and about 1/2 the cost of the University of Minnesota.

The Un-Session

Chancellor Rosenstone reported that Governor Dayton has dubbed 2014 the "un-session," because he wants the legislature to spend much of their time eliminating old, outdated state laws. He has asked the system to identify suggestions on what provisions are outdated and can be eliminated in ways that would make the laws governing higher education better, faster and simpler. Chancellor Rosenstone stated that under Vice Chancellor Laura King's leadership, we have reviewed all statutory provisions applicable to the system and have developed several recommendations for the commissioner of Minnesota Management and Budget and the Governor. In the coming weeks, we will be consulting with internal stakeholders and then with the higher education chairs and other key members on suggestions to streamline regulations and eliminate obsolete provisions.

Chief Diversity Officer

Chancellor Rosenstone announced that the semifinalists for the Chief Diversity Officer will be interviewed on December 18. In the weeks ahead, information will be shared on the formal announcement of the candidates, including the times of their public presentations and the WebEx logistics for students, faculty, and staff across the system to participate in the process. Chancellor Rosenstone invited all students, faculty, and staff to take part in these interviews and provide him their feedback. Vice Chair Thomas Renier will identify three trustees who will participate in the interviews.

Metropolitan State University Interim President

Chancellor Rosenstone reported that two weeks ago he visited Metropolitan State University to meet with students, faculty, staff, and the president's cabinet for an update on two critical and immediate issues: the tremendous progress that the university has made to address its payroll issues; and the agreement that was reached with the surrounding neighborhood on the siting of the student center and the parking ramp.

Chancellor Rosenstone shared some thoughts about what he hopes the university will accomplish during the transition in leadership. Chancellor Rosenstone reported that he put out a call for nominations and expressions of interest for an interim president. He noted that nominations are coming in and we are following up with everyone who has been nominated. The chancellor stated that his hope is to bring a recommendation for the appointment of an interim president either at the January meeting or at a special meeting in February.

Chancellor Rosenstone commented that since first learning of the Metropolitan State University's payroll issues in mid-September, Vice Chancellor Mark Carlson and his staff from the system office and other campuses have immersed themselves in taking corrective action to help the university resolve the payroll issues. Vice Chancellor Carlson brought human resources specialists from across the system to Metropolitan State University to work through the payroll records, making corrections. Vice Chancellor Carlson has also assembled an external review team of experienced human resource specialists and will conduct a line-by-line review of faculty payroll-related transactions for Fiscal Years 2012, 2013, and 2014 (to date.)

Vice Chancellor Carlson, President Sue Hammersmith, Provost Ginny Arthur, and the university's new interim HR Director, Sue Raddatz, are working closely together to ensure that the university's Human Resources staff are well-equipped going forward to correctly manage payroll transactions. In addition to the line-by-line review, these transactions and the university's payroll processes will be subject to an audit. Chancellor Rosenstone stated that based on consultation with Chair Hightower and Audit Committee Chair Ann Anaya, they intend to engage in a two-part audit process.

First, the system's Office of Internal Auditing will conduct an initial audit. Executive Director of Internal Auditing Beth Buse anticipates it will be completed by spring of 2014. Internal Auditing is the right body to conduct this audit given its independence from system administration, its expertise, its familiarity with system and payroll operations, and its direct reporting line to the Board of Trustees. Second, Chair Hightower and Chancellor Rosenstone have requested the Office of Legislative Auditor to conduct an audit to verify the accuracy of the audit conducted by Internal Auditing.

Chancellor Rosenstone concluded his remarks commenting that he is confident that the steps that Vice Chancellor Carlson has taken will help Metropolitan State University resolve its payroll issues and the audit that Director Buse will lead, with a double check by the Legislative Auditor, will validate the accuracy of the work.

Chair Hightower asked Trustee Ann Anaya to comment on the audit process. Trustee Anaya stated that, first, the audit will provide a better understanding of what happened. Second, people who were affected would be made whole, and third, an understanding that controls will be put in place to make certain that this could not happen again. Trustee Anaya continued that once the audit process is complete, an assessment will be completed to see if there is a need for the Legislative Auditor to review the findings. Trustee Anaya remarked that she feels confident this process will allow those affected some comfort in knowing that everything possible is being done to correct the situation.

Trustee Louise Sundin inquired whether the payroll issues encompass pension contributions. Chancellor Rosenstone replied that pension contributions were included.

4. Consent Agenda

The Board of Trustees approved the execution of three contracts:

- 1.) To Managed Print Supplier/s, not to exceed \$21 million for a term not to exceed three years, with two additional one-year options;*
- 2.) Execution of contracts with NowMicro and CDW-G, for a combined total not to exceed \$36 million and a term of three years, with two additional one-year options;*
- 3.) Execution of a contract with the selected Purchasing Card vendor for a term not to exceed three years.*

The Board directs the Chancellor or his designee to execute all necessary documents.

Trustee Dawn Erlandson moved approval of the Consent Agenda. The motion was seconded and carried.

5. Board Policy Decisions

(1) Charting the Future, Final Report

Trustee Margaret Anderson Kelliher moved that the Board of Trustees adopt the Charting the Future report and recommendations. Trustee Alexander Cirillo seconded and the motion carried.

Chair Hightower thanked Chancellor Rosenstone, Presidents Scott Olson, Joe Opatz, Earl Potter, Chancellor's Fellow Karen Hynick, and the members of the workgroups for their incredible work. Chair Hightower announced that Chancellor Rosenstone will present initial thoughts on the implementation of "Charting the Future" at the January meeting.

(2) Proposed Amendment to Board Policy 5.21 Possession or Carry of Firearms (Second Reading)

Trustee Erlandson moved that the Board of Trustees approves the proposed amendment to Board Policy 5.21 Possession or Carry of Firearms. Chair Hightower called the question and the motion carried.

(3) Proposed Amendment to Board Policy 5.23 Security and Privacy of Information Resources (Second Reading)

Trustee Erlandson moved that the Board of Trustees approves the proposed amendment to Board Policy 5.23 Security and Privacy of Information Resources. Chair Hightower called the question and the motion carried.

(4) Proposed Amendment to Board Policy 1B.3 Sexual Violence Policy (Second Reading)

Trustee Alexander Cirillo moved that the Board of Trustees approves the proposed amendment to Board Policy 1B.3 Sexual Violence Policy. Chair Hightower called the question and the motion carried.

6. Board Standing Committee Reports

a. Finance and Facilities Committee

Michael Vekich, Chair

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

b. Diversity and Equity Committee

Alexander Cirillo, Chair

Committee Chair Cirillo reported on the Diversity and Equity Committee.

c. Joint Meeting: Diversity and Equity and Human Resources Committees

Alexander Cirillo and Thomas Renier, Co-Chairs

(1) Increasing the Diversity of Faculty and Staff

Committee Co-chair Cirillo reported that the Joint Diversity and Equity and Human Resources Committees had a discussion on the diversity of faculty and staff, gender diversity within the system, and the career movement of women in the organization.

d. Academic and Student Affairs Committee

Margaret Anderson Kelliher, Chair

(1) Update on the Itasca Workforce Alignment Group

Committee Chair Margaret Anderson Kelliher reported that the committee heard an update on the Itasca Workforce Alignment Group. The group has been working for approximately one year on the challenges facing the state's workforce needs.

**(2) Pine Technical College-Change in Institution Type and Change in Name
(First Reading)**

Committee Chair Anderson Kelliher reported that the committee heard a first reading of Pine Technical College's change in institution type and change in name. This item will be presented for a second reading and action at the January meeting.

7. Trustee Reports

Trustee Elise Ristau reported that she attended the Minnesota State University Student Association Delegates Assembly.

8. Joint Council of Student Associations

a. Minnesota State College Student Association

Kelly Charpentier Berg, 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

Adam Klepetar, president, addressed the Board of Trustees.

c. Minnesota State College Faculty

Damon Kampfe, vice president, addressed the Board of Trustees.

- d. **Minnesota Association of Professional Employees**
Jerry Jefferies, regional director, addressed the Board of Trustees.
- e. **American Federation of State, County, and Municipal Employees**
June Clark, president, AFSCME Local 4001, addressed the Board of Trustees.

10. Other Business

There was no other business.

11. Adjournment

Chair Hightower announced that on December 3, 2013, there will be special meetings of the Audit Committee and Board of Trustees to review and approve the 2013 audited financial statements.

Chair Hightower adjourned the meeting at 3:40 PM.

Ingeborg K. Chapin
Secretary to the Board