

**Minnesota State Colleges and Universities
Annual Board of Trustees Meeting Minutes
June 18, 2014**

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

1. Call to Order

Chair Clarence Hightower called the meeting to order at 1:35 PM and announced that a quorum was present. Trustees Ann Anaya and Michael Vekich participated by phone.

2. Chair's Report: *Clarence Hightower*

(1) Minutes of the Board of Trustees Meeting, May 21, 2014

The minutes were approved as written.

(2) Report of Closed Session Meeting of the Board of Trustees on the Chancellor's Annual Performance Evaluation on June 17, 2014

Chair Hightower thanked the members of the Performance Review Committee: Vice Chair Thomas Renier and Trustees Ann Anaya and Alex Cirillo.

Chair Hightower noted that the board reviews the chancellor's performance annually in a closed session. The committee met with Chancellor Rosenstone on June 10 to discuss his performance. On June 17 the committee provided its assessment to the full board in a closed session and then the board met with Chancellor Rosenstone to discuss the results. The evaluation was positive. This has been a highly successful year for Minnesota State Colleges and Universities under Chancellor Rosenstone's leadership.

Chair Hightower called upon Vice Chair Renier and Trustee Cirillo for a summary of the evaluation.

Vice Chair Renier

Vice Chair Renier made the following remarks.

Executive leadership is a difficult calling. Leading change is especially challenging. There is a cacophony of voices providing advice, and many, many different stakeholders to involve. One thing that the chancellor has excelled at is keeping his eye on his "true north," always asking the question: "Is this what is right for students?"

In the years ahead, it is imperative that our colleges and universities work together more effectively to overcome the significant challenges facing all of higher education so that we may continue to meet the needs of our students and communities across Minnesota. This has indeed been another highly successful year for our students, for our faculty and staff, and for the communities we serve.

As Chancellor Rosenstone has said before – and it is no less true today than it was three years ago – the people of Minnesota are counting on us.

I believe we will look back on the previous twelve months and we will come to recognize that this was the beginning of something very significant. Simply put, this was the year when a collaborative effort led by Chancellor Rosenstone identified a pathway to help us chart the future and strengthen our ability to make good on our core commitments to the people of Minnesota.

We are extraordinarily enthusiastic about the new and powerful ways in which our colleges and universities have begun to work together under Chancellor Rosenstone's leadership. We are confident that the priorities laid out in *Charting the Future* for the coming year are the right ones.

- If we want to give all Minnesotans a shot at higher education – and we do,
- if we want to be a great partner in our communities – and we do,
- and if we want to be the highest value, most affordable higher education option – and we most certainly do,
- then these are the right priorities.

Charting the Future gives all of our colleges and universities their best shot at being the colleges and universities we want them to be. The board is pleased that Chancellor Rosenstone has agreed to continue to lead our system of 31 colleges and universities, and we are confident that under his leadership they will continue to be the state's highest value, most affordable higher education option.

In 2012 we encouraged Chancellor Rosenstone to “keep his foot on the gas.” Last year I asked him to “keep the stick at full throttle.” This year, as we all embark on a journey of significant change together, our guidance to Chancellor Rosenstone is this: “stay the course and keep your eye on our true north.”

Trustee Cirillo

Trustee Cirillo made the following remarks.

We set out an unusually aggressive agenda of eighteen separate goals, and Chancellor Rosenstone was successful in meeting almost all of them. During the past year, Chancellor Rosenstone:

- Completed the process that led to the *Charting the Future* recommendations and began the initial implementation of those recommendations.
- Led the process that saw MnSCU selected by the Bill & Melinda Gates Foundation as one of twelve higher education systems nationally to join its State Postsecondary Education Systems Partnership. Part of what impressed the Foundation about MnSCU was the change process outlined in *Charting the Future*.

- Secured \$17 million in supplemental base funding from the Minnesota Legislature as well as \$159.8 million in bonding for capital projects.
- Brought in a two-year, \$4 million gift from the Otto Bremer Foundation to fund scholarships at 20 MnSCU colleges located in communities with a Bremer Bank – the largest single gift to our colleges in MnSCU history.
- Successfully executed the statewide scholarship campaign with the goal of raising \$20 million over two years. As of March 31, 2014, just 38% of the way through the campaign, \$12.5 million (or 63%) of the campaign goal has been raised.
- Implemented an enterprise risk management protocol that created a system-level ERM team that regularly assesses risks and management strategies.

The board has reviewed the chancellor's performance against these aggressive goals and has concluded that Chancellor Rosenstone's performance has been excellent.

The chancellor is in the final year of his first three-year contract, which contains the potential for him to receive up to a \$50,000 performance award. The board is recommending that the chancellor receive 82 percent of his performance incentive pay to reflect the progress he has made and to acknowledge that there is more work to be done. He continues to be a visionary leader who cares passionately for our students and works tirelessly to provide a better future for students, their families, and their communities. On behalf of the entire board, I want to thank him for all he has done this year.

Trustee Alex Cirillo moved that the Board of Trustees, having conducted its annual assessment of the chancellor's performance, approve and authorize a performance incentive payment of \$41,000; and that, in addition, should the chancellor become eligible for a merit increase as provided by the MnSCU FY13-FY15 Personnel Plan for Administrators, the board authorize the board chair to determine the amount of any such merit increase. Such an increase shall not occur prior to all FY13-FY15 faculty bargaining unit contracts being settled and approved by the Legislature.

Trustee Benson moved to amend the motion as follows:

That the Board of Trustees, having conducted its annual assessment of the chancellor's performance, approve and authorize a performance incentive payment of \$41,000; and that, in addition, should the chancellor become eligible for a merit increase as provided by the MnSCU FY13-FY15 Personnel Plan for Administrators, the board authorize the board chair to propose to the board the amount of any such merit increase. Such an increase shall not occur prior to all FY13-FY15 faculty bargaining unit contracts being settled and approved by the Legislature.

Trustee Sundin seconded and the amended motion carried unanimously.

(3) Proposed FY2015-FY2016 Meeting Calendar (Second Reading)

Chair Hightower reviewed the FY2015-FY2016 meeting calendar.

Chair Hightower moved that the Board of Trustees approve the FY2015 and 2016 meeting calendar. The motion was seconded and approved.

(4) Special Recognitions

Chair Hightower stated that his term, along with those of Trustees Cheryl Dickson, Alfredo Oliveira, David Paskach, Maria Peluso, and Louise Sundin, will end on June 30. Trustees will continue to serve until Governor Dayton appoints their replacements.

Chair Hightower recognized the college and university presidents who are either retiring or have accepted new opportunities: Presidents Phil Davis, Sue Hammersmith, Jim Johnson, Kevin Kopischke, Joe Opatz, Richard Shrubbs, Edna Szymanski, and Interim President Gail O'Kane.

(5) Other

Chair Hightower made the following statement:

Last June the board authorized me as the board chair to negotiate a new contract with the chancellor, similar to the process we have used historically. That contract was completed last October, consistent with the Personnel Plan for Administrators and state law. While I am confident we have followed past precedent, there have been questions raised recently about the current process and a perceived lack of transparency. As an institution grounded in public trust, I want to make sure that we don't just rely on precedent and instead look at ways we can improve. To that end, I have consulted with Vice Chair Renier and will be creating a work group as provided for under Board Policy 1A.2, System Administration, to consider best practices and make recommendations to the full board on the process that should be used in approving future chancellor contracts. I am sorry that this has been such a distraction for the board and the public because it has gotten in the way of the great story we have to tell about the important work the system is doing.

Chancellor's Report: *Steven Rosenstone*

Chancellor Rosenstone thanked the board for their strong support and confidence over the past three years. He reflected on his first board meeting as chancellor, when he and the trustees discussed their shared commitment to providing an opportunity for all Minnesotans to create a better future for themselves, their families, and their communities. Chancellor Rosenstone remarked that he is honored to serve as chancellor of this great system of colleges and universities and to work on behalf of students and communities across the state. He is honored that the board has asked him to serve a second term.

Chancellor Rosenstone thanked Trustees Dickson, Oliveira, Paskach, Peluso, and Sundin for their service. He especially thanked Chair Hightower for his twelve years of service as a trustee, vice chair, and chair of the board.

Chancellor Rosenstone also thanked the bargaining and student association leaders. He congratulated Jim Grabowska on his election as the IFO's new president and he thanked Leadership Council executive committee members: presidents Earl Potter, Ron Anderson, Larry Lundblad, and Edna Szymanski.

Chancellor Rosenstone stated that last year he was able to visit 24 of the 54 campuses to continue to learn about the work of the faculty and staff and their devotion to their students and community partners. He plans to continue those visits of listening and learning.

Recognition of Departing Presidents

Chancellor Rosenstone concluded his remarks by recognizing and thanking each one of the following presidents who are completing their terms of service.

President Sue Hammersmith

Sue Hammersmith, president of Metropolitan State University since 2008. Metro State has seen unprecedented growth under President Hammersmith's leadership: enrollment has grown nearly 25%; enrollment of students of color has increased 35%; and President Hammersmith has championed the educational needs of the underserved, including adults, first generation students, and communities of color. Metro State has embarked on critical capital projects that will shape the personality of the university, extend its capabilities, and increase its capacity to serve students in critical fields for years to come.

President Jim Johnson

Jim Johnson, president for 19 of his 33 years of service at Minnesota State College – Southeast Technical. As president, Jim Johnson has grown the college; deepened Southeast Tech's partnerships with business, industry, the public schools and Winona State University; led regional economic development through his extensive work with the 7 Rivers Alliance; and he has been a tireless volunteer on community boards from Winona to Red Wing.

President Kevin Kopischke

Kevin Kopischke, president of Alexandria Technical and Community College for 10 years. President Kopischke's leadership has been critical to Alex Tech's success. Over the past decade, Alex Tech has led a mission expansion to include the associate of arts degree; received recognition as one of the best two-year colleges in the nation; earned a well-deserved reputation for its outstanding record of collaboration with business and industry, educational partners and the community; and served on the executive committee of the Leadership Council.

President Joe Opatz

Joe Opatz, president of Normandale Community College since 2007. President Opatz has cultivated and grown the college's strong tradition of transfer to state universities and other baccalaureate programs; led the college through a dramatic 14% growth in enrollment; and supported changes that have made a tremendous difference in access to advising and tutoring, the success rate for underrepresented students, enrollments by students of color, and many other areas including a transformation of the college's physical plant.

President Richard Shrubbs

Richard Shrubbs, president of Minnesota West Community and Technical College for six years. Minnesota West has accomplished a great deal under President Shrubbs's leadership, achieving one of the highest graduation rates in the state and being named one of the top 50 community colleges in the nation. President Shrubbs has had a great impact on the college.

President Edna Szymanski

Edna Szymanski, president of Minnesota State University Moorhead since 2008. President Szymanski helped engage the university in new collaborative partnerships; worked with the faculty to improve the quality of the education the university provides; and served on the executive committee of the Leadership Council. She leaves Minnesota State University Moorhead on solid footing as it completes its 125th year and welcomes the arrival of its 11th president.

President Phillip Davis

Phillip Davis is not retiring, but rather stepping down to take on a new leadership role as associate vice chancellor and managing director of the Campus Service Cooperative. President Davis has served as president of Minneapolis Community and Technical College for 18 years and he is one of our most senior campus leaders with nearly 30 years of experience. President Davis increased access to college for underrepresented students by establishing programs like the *Power of YOU* and *Jump Start to College*. Under his leadership, MCTC has recruited and retained the most diverse faculty and staff of any college or university in the system, and MCTC has also grown into the system's second most diverse student body. Over the course of his presidency, President Davis shepherded capital improvements that created state-of-the-art instructional and support facilities for students. Civic and business leaders across Minneapolis widely recognize President Davis's leadership within the community and have viewed him and MCTC as partners that advance the city's economic prosperity.

Interim President Gail O'Kane

Gail O'Kane will soon return to Minneapolis Community and Technical College after a year as interim president of Rochester Community and Technical College to begin her new role vice president of academic affairs at MCTC.

4. Consent Agenda

(1) Anoka-Ramsey Community College, Cambridge, Surplus Real Property

(2) Approval of Annual Audit Plan for Fiscal Year 2015

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

5. Board Policy Decisions

(1) FY2015 Operating Budget (Second Reading)

Committee Chair Dawn Erlandson moved the following with an amendment to paragraph f. The Board of Trustees:

- a. Adopt the annual total operating budget for fiscal year 2015 in [Table 3](#). Pursuant to Board Policy 5.9, the Board of Trustees will be periodically provided with systemwide budget updates for all funding sources on an exception reporting basis.*
- b. Approve the proposed tuition structure recommendations for fiscal year 2015 as detailed in [Attachments 1A through 1E](#).*
- c. All tuition increases are effective Summer Term or Fall Term 2014 at the discretion of the president. The chancellor or his designee 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 2016 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, non-credit instruction, continuing education, and contract postsecondary enrollment option programs.*
- e. Approve the revenue fund and related fiscal year 2015 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. Approve the fiscal year 2015 fees structure for room and board for colleges who either own or manage student housing as detailed in [Attachment 2E](#). The chancellor or his designee 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 2016 recommendations are presented to the Board of Trustees.*
- f. Approve Student Life/Activity (\$117.36 per term) and Health Services (\$70.20 per term) fees for St. Cloud State University.*

Chair Hightower called the question and the motion carried.

6. Board Standing Committee Reports

a. Human Resources Committee

Thomas Renier, Chair

(1) Appointment of Interim President of Minneapolis Community and Technical College

Vice Chair Renier moved that the Board of Trustees, upon the recommendation of Chancellor Steven Rosenstone, appoint Avelino Mills-Novoa as interim president of Minneapolis Community and Technical College effective August 11, 2014, subject to the completion of an employment agreement; and that the board authorize the chancellor, in consultation with the chair of the board and

the 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.

(2) Approval of Minnesota State University Association of Administrative and Service Faculty Bargaining Contract

Vice Chair Renier moved that the Board of Trustees approve the terms of the 2013-2015 labor agreement between Minnesota State Colleges and Universities and the Minnesota State University Association of Administrative and Service Faculty (MSUAASF) and authorize Chancellor Steven Rosenstone to sign the agreement on behalf of the Board of Trustees.

Chair Hightower called the question and the motion carried.

b. Academic and Student Affairs Committee

Margaret Anderson Kelliher, Chair

(1) Student Success Measures and Strategies

Committee Chair Anderson Kelliher reported that the committee heard a presentation on student success measures and strategies. The focus of the presentation was on system progress related to student success measures.

(2) Other

Committee Chair Anderson Kelliher highlighted St. Cloud State University's (SCSU) Recovery Community, a program that won the 2014 award for innovation in student affairs programming. The Recovery Community was developed within the university's student life and development department under the leadership of Dr. Wanda Overland.

Trustee Anderson Kelliher recognized key contributors Jennifer Sell Matzke, assistant dean of students and current coordinator for the Recovery Community; Thaddeus Rybka, graduate assistant for the Recovery Community; John Eggers, director of counseling and psychological services; and Daniel Pedersen, director of residential life.

The intention of SCSU's Recovery Community is to create a safe and welcoming on-campus environment where students in recovery from drugs and alcohol can receive support while working to obtain a degree. The Recovery Community was approved as an official program at SCSU during the spring semester of 2012. They are proud to be the first residential recovery community offered at a public university in the upper Midwest. To date, there are only about 80 collegiate recovery programs across the nation, and only a fraction of those are residential recovery programs. Students in the Recovery Community are required to take a minimum of twelve credits each semester. They meet weekly with a counselor from the counseling center on campus.

Trustee Anderson Kelliher thanked Ms. Matzke and Mr. Rybka for their outstanding work in providing students with the resources they need to overcome addiction, earn their degrees, and help serve and support others in their communities.

c. Finance and Facilities Committee

Michael Vekich, Chair

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

d. Audit Committee

Ann Anaya, Chair

(1) Internal Audit Update

Committee Chair Ann Anaya reported that the committee heard an update on Internal Audit.

(2) Review of Results from the Capital Construction Audit Pilot

Committee Chair Anaya reported that the committee heard a report on the review results from the capital construction audit pilot.

8. Trustee Reports

Trustee Cheryl Dickson reported that she participated in the Executive Leadership Development program graduation.

9. Joint Council of Student Associations

a. Minnesota State University Student Association

Kari Cooper, state chair, addressed the Board of Trustees.

b. Minnesota State College Student Association

Kelly Charpentier-Berg, president, addressed the Board of Trustees.

10. Minnesota State Colleges and Universities' Bargaining Units

a. Inter Faculty Organization

Nancy Black, president, and Jim Grabowska, president-elect, addressed the Board of Trustees.

b. Administrative and Service Faculty

Richard Wheeler, state grievance officer and past president, addressed the Board of Trustees.

c. Minnesota State College Faculty

Kevin Lindstrom, president, addressed the Board of Trustees.

d. Minnesota Association of Professional Employees

Tabitha Ries-Miller, research analyst, and Jen Foley, statewide meet and confer vice president, addressed the Board of Trustees.

11. Other Business

- Election of Officers

Chair

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

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

Vice Chair

Chair Hightower called for nominations for the position of Vice Chair. Trustee Elise Ristau nominated Trustee Margaret Anderson Kelliher. Chair Hightower called for other nominations and there were none.

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

12. Adjournment

Chair Hightower adjourned the meeting at 3:20 PM.

Ingeborg K. Chapin, Secretary to the Board