

**Minnesota State Colleges and Universities**  
**Board of Trustees Meeting Minutes**  
**October 21, 2015**

Present: Chair Michael Vekich, Trustees Margaret Anderson Kelliher, Duane Benson, Kelly Charpentier-Berg, Alexander Cirillo, John Cowles, Dawn Erlandson, Robert Hoffman, Philip Krinkie, Maleah Otterson, Thomas Renier, Elise Ristau, Louise Sundin, and Chancellor Steven Rosenstone

Absent: Ann Anaya and Erma Vizenor

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**1. Call to Order**

Chair Michael Vekich called the meeting to order at 10:10 AM and announced that a quorum was present. Trustee Charpentier-Berg participated by phone.

**2. Consent Agenda**

- a. **Minutes of the Board of Trustees Study Session on Charting the Future, June 16, 2015**
- b. **Minutes of the Board of Trustees Meeting, June 17, 2015**
- c. **Notes of the Board of Trustees Retreat, September 15-16, 2015**
- d. **Surplus Real Property Approval – Central Lakes College Boundary Line Correction**
- e. **Approval of Contracts Exceeding \$1M for:**
  - **Lake Superior College Customized Training**
  - **Grant for Thief River Falls Housing Development**
  - **Microsoft Premier**
  - **Hobson’s Contract Extension**
  - **Inver Hills Community College Construction Project**
  - **Bemidji State University Bookstore Contract**
  - **St. Cloud State University Plumbing Replacement, Mitchell Hall**
  - **Foundation Management Software – Blackbaud, Inc. Contract**

*Trustee Erlandson moved approval of the Consent Agenda.*

The motion carried.

**3. Chair’s Report: Michael Vekich**

- **Report of Closed Session Meeting of the Board of Trustees on the Chancellor’s Annual Performance Evaluation on September 28, 2015**

Chair Vekich called upon Trustee Alex Cirillo, who stated that at the beginning of the fiscal year the Chancellor Performance Review Committee we had identified seven specific objectives for the chancellor’s focus in 2014- 2015. These were broadly centered on strengthening and implementing *Charting the Future*, strengthening our financial health both in the short and long term, continuing to advance our diversity agenda, identifying and creating a next generation baccalaureate strategy for MnSCU, and initiating a new branding strategy. The board identified progress this year on all of these fronts.

Trustee Cirillo further stated that the board is pleased with the chancellor's overall performance for the year, and we look forward to the chancellor's continued leadership in the year to come. The board also looks forward to working with him on the goals the board has set to ensure access, to be the partner of choice, and to be the most affordable higher education option for all Minnesotans.

Chair Vekich and Trustee Benson recognized and thanked Chancellor Rosenstone.

### **Chair's Report Continued**

Chair Vekich made the following statement.

Our colleges and universities are places of hope and opportunity where students study, learn, and prepare for a better future for themselves, for their families, and for their communities.

So when violence takes the lives of students on a campus – as it has in recent weeks in Oregon, Arizona, and Texas – it reminds us that tragedy can snuff out those dreams in a flash. And we mourn, even though we don't personally know the victims, because the students and faculty who have lost their lives had the same hopes and dreams as the students and faculty we know and work with every day.

The events of the past few weeks have only deepened our resolve to keep our campuses safe places where we can focus on inspiring students to see a brighter future. And at the same time, we must continue to prepare to respond in case of an emergency.

All of our colleges, universities, and the system office have Emergency Operations Plans in place for responding to emergencies. The plans are developed in conformance with the National Incident Management System, and they include coordination with local emergency response agencies.

Emergency Operations Plans include emergency procedures for emergency notification of employees and students as well as actions to be taken during emergency situations, including campus lock downs. Tabletop exercises are held annually and often include partnerships with local law enforcement.

But all this that I've just described is simply mechanics. At the end of the day, we grieve the loss of life that has occurred. I would like to ask for a moment of silence for the men and women whose lives were taken at Umpqua Community College, Northern Arizona University, and Texas Southern University.

- **Board of Trustees Retreat**

Chair Vekich reported that there were several excellent sessions at the retreat that focused on some of the most important strategic challenges facing the colleges and universities. The board had a great discussion of the most perilous strategic risks facing the system and the strategies the management team is employing to meet those risks. The board had an equally robust discussion on the *Charting the Future* work plan that the Leadership Council developed and discussed some alternative approaches for how the board should monitor implementation over the year ahead.

Chair Vekich thanked the trustees for their contributions to these discussions at the retreat. He reviewed the questions on each of the topics which arose from those discussions.

- How should the chancellor and his leadership team keep the board informed on these critical issues?
- How should the board, in its governance role, oversee the leadership teams and follow-through implementation on these critical issues?
- To do this work as a board, do we need a different set of standing committees?

Chair Vekich added that the board had an excellent and healthy discussion of some alternative ways to address these questions. Over the past four weeks, he has consulted with a number of board members and the chancellor, and he has asked the chancellor to consult with the vice chancellors. Chair Vekich made the following observations.

1. Because these strategic questions – ERM, *Charting the Future*, and the overall strategies moving forward – are among the most important topics that this board would consider in its oversight and governance roles, it is inadvisable to delegate responsibility for these topics to a subset of the board. These topics are core to our entire enterprise and require the engagement and oversight by each and every member of the board.
2. The elements contained in these topics overlap with the work of the current standing board committees. For example, the ERM concern about the long-term financial sustainability of our colleges and universities stemming from revenue not keeping pace with costs overlaps directly with the Finance and Facilities Committee as does the *Charting the Future* initiative to redesign the internal financial model. The *Charting the Future* initiative to improve curriculum alignment and transfer pathways directly overlap with the work of the Academic and Student Affairs Committee. The initiative to develop and implement new systemwide human resources transactional service delivery model overlaps with core work of the Human Resources Committee. This overlap is true of nearly all of the ERM strategic risks; all of the ERM operational risks; and all 42 of the *Charting the Future* initiatives.
3. Delegating these strategic topics to a new committee would not create stronger oversight, but rather unnecessary confusion and duplication.
4. Any change to existing committee structure should be carefully considered and subjected to thoughtful deliberation in consultation with the management team.

Chair Vekich commented that the Executive Committee will meet over the next several months to have a thoughtful discussion and debate on the number and nature of the standing committees. The goal will be to reach consensus by May 2016 so that if there are any changes to the board's standing committee structure going forward, these changes can be considered by the full board at its annual meeting in June 2016.

Chair Vekich continued that the oversight of Enterprise Risk Management belongs to the full board, but additional oversight is needed beyond a single annual discussion. Chancellor Rosenstone is planning a study session for the full board in January that will engage the full board in continued discussion not only of the strategic ERM risks, but also further discussion of “offensive” strategies for the future.

Chair Vekich added that he and the chancellor are working to map both the ERM strategic and operational risks to the current standing committees. Each committee chair has been asked to work with the vice chancellor supporting that committee to schedule updates and ERM discussions beyond the January study session. By doing so, each committee will provide oversight between board study sessions, yet the board as a whole will retain responsibility for overall oversight of ERM, particularly oversight of the risk heat map and management of strategic risks. In addition, the chancellor will apprise the board chair and relevant committee chairs of any significant changes in the system’s risk profile on a timely basis. As many trustees suggested at the retreat, the chair and chancellor will draft a “risk principles” statement with an eye toward a board policy for board consideration in FY2017.

With respect to ensuring board oversight of the implementation described in the Leadership Council’s Work Plan for Charting the Future, Chair Vekich noted the following:

- A set of Gantt charts will be developed that will show the workflow for each initiative.
- A template will be developed that will track progress and update the board on a quarterly basis.
- Study sessions in January 2016 and June 2016 are scheduled so the full board can review progress and ensure oversight of implementation.
- Working with the chancellor, and in consultation with the committee chairs, Chair Vekich has assigned to each board standing committee, those initiatives that fall within its area of expertise to monitor progress and provide oversight beyond the quarterly reports and two full board study sessions that have been scheduled.

Chair Vekich thanked the trustees again for their thoughtful and robust discussions on each of these topics at their retreat. He added that the board has an extremely effective way to ensure continued board engagement on these critical issues and strong, effective oversight over the year ahead. He concluded his remarks noting that this is a thoughtful path for addressing the question of whether the board should change the structure of the board standing committees going forward and he looks forward to those conversations.

**4. Chancellor’s Report: *Steven Rosenstone***

Chancellor Rosenstone thanked the trustees, noting that the accomplishments have been a team effort. He also thanked the presidents, cabinet members, faculty, and staff for their hard work.

The chancellor reported on the legislative bonding tours of our colleges and universities. He thanked the presidents, campus facilities staff, as well as students and faculty who have helped tell the story of the pressing facilities needs of our campuses. He also thanked Associate Vice Chancellor Brian Yolitz, and the government relations team for helping to ensure the success of these visits.

### **Presidential Searches**

Chancellor Rosenstone reported that there will be five presidential searches this year. His practice has been to begin a presidential search with seeking the counsel of students, faculty, staff, and community leaders about the qualities they hope to see in their next president.

### **Workgroup on Long-Term Financial Sustainability**

The chancellor stated that at the board's retreat, the board engaged in a very thoughtful discussion of the draft charge to the Workgroup on Long-Term Financial Sustainability of Minnesota State Colleges and Universities. Chancellor Rosenstone thanked Associate Vice Chancellor Phil Davis and Vice Chancellor Laura King for serving as co-chairs. The workgroup is charged with formulating recommendations to the chancellor, the Leadership Council, and the board that will strengthen the long-term financial sustainability of our colleges and universities.

### **Charting the Future**

Chancellor Rosenstone highlighted the work that has occurred on *Charting the Future* since the board's retreat in September and the strategies for overseeing and monitoring progress over the months ahead. Between July 1 and September 9, the Leadership Council turned the strategies recommended by the implementation teams into a work plan. The board reviewed this work plan at its retreat. The chancellor communicated with each member of the Leadership Council, specifying initiatives that will be included in their 2015-2016 performances goals.

The 31-member Coordinating Committee met for the first time and identified opportunities to strengthen communication and the methods by which to track progress on implementation. The Coordinating Committee includes members from all bargaining units and student associations as well as from campuses and the system office. The committee is chaired by: Jim Anderson, MSUAASF president; Ron Anderson, vice chancellor of academic and student affairs; Scott Cowan, a student at Minnesota West Community and Technical College; and Josh Hanson, a student at Winona State University.

The Leadership Council met to discuss the formation of the campus-based teams and how the work will be integrated into existing campus strategic planning activities. Presidents Richard Hanson and Barbara McDonald shared with the Coordinating Committee the highlights of Leadership Council's discussion of implementation. Chancellor Rosenstone emphasized that the work plan is not the sum total of all the projects underway at our colleges or universities or at the system office. The work plan is only the plan to move forward the initiatives recommended by the implementation teams. A huge amount of work being done on the campuses – on affordability, developmental education, equity and inclusion, and more – work that goes beyond the new strategies brought forward by the implementation teams.

The presidents and members of the cabinet have been fully engaged in forging the teams needed to implement the campus-based and system-level projects laid out in the work plan. Every college and university president has been meeting with bargaining unit and student leaders to discuss the work plan and forge the team that will lead the campus-based work. Chancellor Rosenstone described how progress will be tracked and communicated with oversight and accountability. A report will be given to the full board on a quarterly basis with full board study sessions in January 2016 and June 2016.

Chair Vekich has charged the standing board committees with taking up more frequent updates on the work streams that map to the substantive areas of expertise that is the responsibility of that standing committee. Each committee chair will determine the frequency of those updates. *Charting the Future* will be a standing agenda item at Leadership Council meetings. It also will be a standing agenda item for meet and confers with each bargaining unit and in monthly meetings with the student associations.

### **Access to Excellence Scholarship Campaign**

The chancellor announced that the two-year Access to Excellence Scholarship Campaign has concluded with results that far exceeded expectation. Together, the 42 college and university foundations have raised \$39.5 million in new scholarship money. 28,000 scholarships have been awarded - 12,000 more than our goal. Chancellor Rosenstone concluded his remarks with presenting a check to the leaders of the student associations, Ms. Cara Luebke and Mr. Kevin Parker, for \$39.5 million on behalf of the 27,816 generous donors across the state.

## **5. Student Associations**

- a. Minnesota State College Student Association  
Kevin Parker, president, addressed the board.
- b. Minnesota State University Student Association  
Cara Luebke, state chair, addressed the board.

## **6. Minnesota State Colleges and Universities Bargaining Units**

- a. American Federation of State, County, and Municipal Employees  
June Clark, president AFSCME Policy Committee, addressed the board.
- b. Inter Faculty Organization  
Jim Grabowska, president, addressed the board.
- c. Minnesota Association of Professional Employees  
Jerry Jeffries, chair, MAPE Meet and Confer Committee, addressed the board.
- d. Minnesota State University Association of Administrative and Service Faculty  
Jim Anderson, president, addressed the board.

## **7. Board Standing Committee Reports**

### **a. Human Resources Committee, Dawn Erlandson, Chair**

#### **1. Approval of Minnesota State University Association of Administrative and Service Faculty Bargaining Contract**

*Committee Chair Erlandson moved that the Board of Trustees approve the terms of the 2016-2017 labor agreement between Minnesota State Colleges and Universities and the Minnesota State University Association of Administrative and Service Faculty (MSUAASF) and authorized Chancellor Rosenstone to sign the agreement on behalf of the Board of Trustees.*

The motion was seconded and carried.

**2. Approval of Inter Faculty Organization Bargaining Contract**

*Committee Chair Erlandson moved that the Board of Trustees approve the terms of the 2016-2017 labor agreement between Minnesota State Colleges and Universities and the Inter Faculty Organization (IFO) and authorized Chancellor Rosenstone to sign the agreement on behalf of the Board of Trustees.*

The motion was seconded and carried.

**3. Approval of MnSCU Personnel Plan for Administrators**

*Committee Chair Erlandson moved that the Board of Trustees approve the MnSCU Personnel Plan for Administrators for 2016-2017, and authorized the chancellor and his designees to take all measures they deem appropriate to secure legislative approval to implement the Plan.*

The motion was seconded and carried.

**4. Emeriti Recognition**

*Committee Chair Erlandson moved that upon the recommendation of Chancellor Steven Rosenstone, and in recognition she has served with great distinction, the Board of Trustees conferred the honorary title of President Emeritus upon Cecilia Cervantes, Hennepin Technical College.*

The motion was seconded and carried.

*Committee Chair Erlandson moved that upon the recommendation of Chancellor Steven Rosenstone, and in recognition that she has served with great distinction, the Board of Trustees conferred the honorary title of President Emeritus upon Sue Collins, Northeast Higher Education District.*

The motion was seconded and carried.

*Committee Chair Erlandson moved that upon the recommendation of Chancellor Steven Rosenstone, and in recognition that he has served with great distinction, the Board of Trustees conferred the honorary title of President Emeritus upon Robert Musgrove, Pine Technical and Community College.*

The motion was seconded and carried.

*Committee Chair Erlandson moved that upon the recommendation of Chancellor Steven Rosenstone, and in recognition that she has served with great distinction, the Board of Trustees conferred the honorary title of President Emeritus upon Anne Temte, Northland Community and Technical College.*

The motion was seconded and carried.

**b. Finance and Facilities Committee, Jay Cowles, Chair**

- College and University Operating Budgets and Financial Recovery Plans  
Committee Chair Cowles reported that the committee heard a presentation on the College and University Operating Budgets and Financial Recovery Plans.

**c. Academic and Student Affairs Committee, Alex Cirillo, Chair**

- Student Pipeline Recruitment and Pathways to Higher Education Update  
Committee Chair Cirillo reported that the committee heard an update on Student Pipeline Recruitment and Pathways to Higher Education.

**8. Trustee Reports**

Trustee Sundin reported that she attended the Association of Community College Trustees (ACCT) Leadership Congress meetings in San Diego along with Trustees Erlandson and Renier. Trustee Sundin also reported that at the conference, Trustee Erlandson was elected to a three-year term on the ACCT Board of Directors.

**9. Adjournment**

Chair Vekich announced that the Executive Committee will meet in November, December, and January. The next Board of Trustees meetings are on November 17-18, 2015. Chair Vekich adjourned the meeting at 12:15 PM.

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Ingeborg K. Chapin, Secretary to the Board